<u>In case of divergence between the language versions, the Polish version shall prevail.</u>

Polenergia S.A. Group

CONSOLIDATED QUARTERLY REPORT

FOR THE THIRD QUARTER OF 2022

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A. INTRODUCTION TO THE CONSOLIDATED QUARTERLY REPORT

1. Consolidated profit and loss account for a 9-month period ended on 30 September 2022

Within the 9-month period ended on 30 September 2022, the results of Polenergia Group (the “Group”) in terms of the adjusted EBITDA and net profit amounted to PLN 244.3 m and PLN 107.7 m, respectively, which means a YOY drop by PLN 38.0 m and PLN 41.0 m, respectively.

	Polenergia Group Income Statement (PLN m)	9M 2022	9M 2021	Difference YOY	Difference YOY [%]	Q3 2022	Q3 2021	Difference YOY	Difference YOY [%]
	Sales revenues, including:	**5 143,1**	**1 932,5**	**3 210,6**	**166%**	**1 330,2**	**720,3**	**610,0**	**85%**
	trading and sales segment	4 604,1	1 499,4	3 104,8		1 148,5	576,1	572,4	
	other	539,0	433,1	105,9		181,7	144,2	37,5	
	Cost of goods sold, including:	**(4 809,5)**	**(1 669,0)**	**(3 140,5)**	**188%**	**(1 265,1)**	**(621,3)**	**(643,8)**	**104%**
	trading and sales segment	(4 493,1)	(1 443,6)	(3 049,5)		(1 144,8)	(557,2)	(587,6)	
	other	(316,4)	(225,4)	(91,0)		(120,3)	(64,1)	(56,2)	
	Gross profit on sales	**333,6**	**263,5**	**70,1**	**27%**	**65,1**	**99,0**	**(33,9)**	**-34%**
	Selling expenses and general overheads	(170,4)	(52,7)	(117,7)	223%	(62,2)	(27,8)	(34,4)	124%
	Other operating revenue/expense	0,1	(10,8)	10,9	101%	0,5	(12,5)	13,0	104%
A	**Operating profit (EBIT)**	**163,3**	**199,9**	**(36,6)**	**-18%**	**3,4**	**58,7**	**(55,3)**	**-94%**
	Depreciation/Amortization	80,8	68,3	12,5		29,6	22,6	7,0	
	Impairment losses	0,3	0,2	0,1		0,1	0,0	0,0	
	Cost connected with net result on sale of assets ***	-	13,9	(13,9)		-	13,9	(13,9)	
	EBITDA	**244,3**	**282,3**	**(38,0)**	**-13%**	**33,0**	**95,1**	**(62,1)**	**-65%**
	Normalizing adjustments:								
	Purchase price allocation (PPA)	-	-	-		-	-	-	
	Adjusted EBITDA*	**244,3**	**282,3**	**(38,0)**	**-13%**	**33,0**	**95,1**	**(62,1)**	**-65%**
B	Financial income	30,2	227,5	(197,3)		13,5	0,4	13,2	
C	Financial costs	(57,8)	(30,6)	(27,2)		(20,1)	(10,1)	(10,0)	
A+B+C	**Gross profit (loss)**	**135,7**	**396,9**	**(261,2)**	**-66%**	**(3,2)**	**48,9**	**(52,1)**	**-106%**
	Income tax	(27,7)	(77,9)	50,2	-64%	0,4	(9,9)	10,3	-104%
	Net profit (loss) from continuing operations	**108,0**	**319,0**	**(211,0)**	**-66%**	**(2,8)**	**39,0**	**(41,8)**	**-107%**
	Profit from discontinued operating activities	-	(1,6)	1,6		-	(1,6)	1,6	
	Profit on disposal of discontinued operations	-	4,4	(4,4)		-	4,4	(4,4)	
	Net profit (loss)	**108,0**	**321,7**	**(213,7)**	**-66%**	**(2,8)**	**41,8**	**(44,6)**	**-107%**
	Normalizing adjustments:								
	Purchase price allocation (PPA)	2,1	0,5	1,6		2,0	0,2	1,8	
	Foreign exchange differences	(3,3)	0,2	(3,6)		(10,7)	0,1	(10,8)	
	Loan valuation using the amortized cost method	0,7	1,0	(0,3)		0,1	0,4	(0,2)	
	Impairment losses **	0,3	0,2	0,1		0,1	0,0	0,0	
	Net result on sale of assets ***	-	(174,9)	174,9		-	11,2	(11,2)	
	Adjusted net profit (loss)*	**107,7**	**148,8**	**(41,0)**	**-27,6%**	**(11,3)**	**53,7**	**(65,0)**	**-121%**
	Adjusted EBITDA*	**244,3**	**282,3**	**(38,0)**	**-13%**	**33,0**	**95,1**	**(62,1)**	**-65%**
	Adjusted EBITDA Margin*	4,8%	14,6%	-9,9%		2,5%	13,2%	-10,7%	
	Adjusted EBITDA (excl. trading segment)	**258,1**	**239,0**	**19,1**	**8%**	**74,3**	**80,9**	**(6,5)**	**-8%**
	Adjusted EBITDA margin (excl. trading segment)	47,9%	55,2%	-7,3%		40,9%	56,1%	-15,2%	

*) 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

***) Earn-out for sale of shares in offshore projects

The sales revenues of Polenergia Group in the three quarters of 2022 were higher by PLN 3,210.6 m, mainly due to higher revenues in the trading and sales segment (by PLN 3,104.8 m), the onshore wind power segment (by PLN 127.6 m) and distribution (by PLN 33.1 m), partly offset by lower revenues in the gas and clean fuels segment (by PLN 67.4 m).

The adjusted EBITDA result in that period amounted to PLN 244.3 m and was lower by PLN 38.0 m compared to the corresponding period of the preceding year. Such drop has been mainly due to lower result on the Nowa Sarzyna Combined Heat and Power Plant ("ENS") performance optimization in 2022 (such optimization having enhanced the result in 2021) and the lack of gas compensation in 2022, as well as lower result on the sale of the electricity generated by RES assets (both those owned by the Group and external ones) as a result of a significant increase of profile costs and volume variance of asset generation on the sales hedging position. The abovementioned impacts have been partly compensated by better performance of the onshore wind power and photovoltaics segment resulting from higher generation volume due to better windiness in the first quarter of 2022 and increased generation capacities compared to the corresponding period of the preceding year.

In the third quarter of 2022, Polenergia Group recognized growth of sales revenues by PLN 610.0 m year on year, influenced by higher sales revenues in the trading and sales segment (by PLN 572.4 m), in the onshore wind power segment (by PLN 32.5 m) and the distribution segment (by PLN 15.5 m), partly offset by lower revenues in the gas and clean fuels segment (by PLN 15.8 m).

The adjusted EBITDA in the third quarter of 2022 alone amounted to PLN 33.0 m and was lower by PLN 62.1 m compared to the corresponding period of the preceding year. This has been mainly due to: lower result, by PLN 51.7 m, on the sale of the electricity generated by RES assets (both those owned by the Group and external ones) as a result of a significant increase of profile costs and volume variance of asset generation on the sales hedging position, lower result, by PLN 6.3 m, on the sale of electricity to end users in the trading and sales segment as a result of a significant increase of the end clients' profile costs and volume variance on the expected supplies hedging position, as well as lower result, by PLN 20.7 m, on the ENS performance optimization (due to lack of favorable market conditions) which, together with the gas compensation of PLN 30.4 m enhanced the result in the corresponding period of 2021. The abovementioned impacts have been partly offset by a higher result, by PLN 33.9 m, in the onshore wind farm and photovoltaics segment benefiting from the growth in the generating capacity and in the generation itself compared to the levels of capacity and generation in a corresponding period of the preceding year.

In the three quarters of 2022, the Group's adjusted net profit reached PLN 107.7 m, which means a drop compared to the performance in the corresponding period of the preceding year by PLN 41.0 m. In the third quarter of 2022 alone, the adjusted net profit of the Group amounted to PLN -11.3 m, which means a drop compared to the performance in the corresponding period of the preceding year by PLN 65.0 m. The reduction of the adjusted net profit during the three quarters of 2022 and in the third quarter of 2022 alone has mainly been due to the factors referred to above which affected the adjusted EBITDA result, as well as due to higher depreciation resulting from the growth of generating capacities and the increased financial expenses resulting from new investment loans incurred, higher interest rates and increased use of the instruments financing the hedging deposits for the transactions in the regulated market and the settlements with the customers.

2. Detailed commentary regarding the financial performance for the 9-month period ended on 30 September 2022 and other significant information on the Group's standing.

In the first three quarters of 2022 the onshore wind power segment recorded higher EBITDA by PLN 117.5 m year on year, while in the third quarter alone, EBITDA increased by PLN 29.5 m compared to the corresponding period of 2021. The improved year on year performance of this segment in 2022 has mainly been the consequence of the bringing into operation of the Szymankowo Wind Farm in the second half of 2021, higher generation volume in other wind farms in operation (higher windiness) and higher electricity sales prices at the segmental level, as well as the continued startup phase in the Dębsk and Kostomłoty wind farms, partly offset by slightly higher operating costs in wind farms.

The EBITDA of the gas and clean fuels segment dropped by PLN 103.4 m relative to the corresponding period of the preceding year, while in in the third quarter alone, the drop amounted to PLN 42.9 m mainly as a result of smaller effect of ENS operation optimization, lower margin on thermal power sales due to higher prices of gas and CO_2 emmission allowances, lower capacity market revenues and no income from the compensation system.

The effects of the optimization process in 2022 included the reversal of the earlier 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 CO_2 emmission allowances in connection with the generation of electricity in ENS - Clean Spark Spread - (CSS) permitted making a decision to curb the planned generation in 2023 and gradually close the position in the forward market for the a/m period with additional margin. In consequence, measurement took place of the relevant financial instruments as per IFRS 9 resulting in the recognition of the following items in the result for the three quarters of 2022, at the Group level: (i) the result on the anticipated generation in ENS in the a/m period which the forward transactions related to (PLN 3.4 m) which involves a time shift, and (ii) the impact of additional optimization and favorable CSS changes amounting to PLN 13.2 m. The impact of measurement of these transactions on EBITDA in the three quarters of 2022 has been disclosed under the trading and sales segment in the amount of PLN 2.8 m and in the gas and clean fuels segment in the amount of PLN 13.9 m. The impact of the transactions concluded with respect to the three quarters of 2022 the measurement of which was recognized in the financial statements as at the end of Q4 2021 amounting to PLN 29.5 m has been included in the realized result reducing the measurement figure as at 30 September 2022. As at 30 September 2022, all forward transactions hedging the margin on generation and sales of ENS in the years 2022 and 2023 have been reversed with additional margin.

The trading and sales segment experienced a drop of its result by PLN 57.0 m relative to the corresponding period of the preceding year, while in Q3 alone, the drop amounted to PLN 55.6 m mainly as a result of: i) lower margin on the business lines of the RES (Renewable Energy Sources) aggregation and energy trading from the RES assets, as a result of a significant increase of the profile cost and the volume variance of asset generation on the sales hedging position. ii) lower result on the ENS operation optimization (there being no favorable market conditions), which had previously enhanced the result in the corresponding period of 2021. iii) higher operating expenses resulting from the expansion of operations. The drop in Q3 was additionally impacted by the result on the sale of energy to the users due to the volume variance of energy supplies and the increased clients' profile cost. The drop of the result in the trading and sales segment has partly been offset by: i) higher margin on the trading portfolio and business service due to the implementation of a short-term strategy and the making the most of the price volatility on the markets, ii) better result on the proprietary trading in the energy and gas markets, iii) extra margin on the sale of the prosumer power systems, including PV panels and heat pumps. During the three quarters of 2022 additional positive influence has been observed of the result on the sale of energy related predominantly to the measurement of forward transactions.

In the three quarters of 2022 the EBITDA of the distribution segment exceeded by PLN 8.2 m that of the corresponding period of the preceding year, and in Q3 2022 alone it increased by PLN 5.5 m relative to Q3 2021. The better result in the three quarters of 2022 was mainly the effect of higher unit margin on energy sales. The result has been partly offset by lower margin on electricity distribution, higher operating expenses mainly resulting from the upscaling of operations, including the costs of implementing the strategy in the e-mobility area. The major reason why said margin on electricity distribution was reduced was the adjustment of revenues from the connection fees in Q2 2022 resulting from the changes in the customers' projects implementation time schedule. The increased result in Q3 2022 was mainly the effect of the higher margin on energy sales.

The EBITDA result in the PV segment in the three quarters of 2022 exceeded by PLN 10.0 m that in the three quarters 2021 (while in Q3 2022 alone it exceeded by PLN 4.4 m that in Q3 2021) in view of the commencement of the start-up, in late March 2022, and the commencement of the operating phase in June and July 2022 of two new projects: Sulechów II (11.7 MW) and Sulechów III (9.8 MW), the start-up of the Buk I project (6.4 MW) in September 2022 and better performance of the Sulechów I project. Revenues generated by the Sulechów I project were higher by 94% relative to those in the three quarters of 2021 due to higher insolation and due to the sales of part of the electricity volume at higher market prices outside the support scheme.

The result in the unallocated segment, in the period from January to September 2022, was lower by PLN 13.2 m, with the result in Q3 2022 alone being lower by PLN 3.1 m year on year. The change of the EBITDA result has been mainly driven by higher operating expenses at the Headquarters resulting from the upscaling of the business.

The result on the financing activity in the three quarters of 2022 was lower by PLN 224.5 m than in 2021, mainly due to: i) the revenues from the earn-out in 2021 in the amount of PLN 225.8 m received in respect of the sale of shares in the companies MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. that had taken place in 2018, and ii) the revenues from the sale of the shares in the Wińsko project. On top of that, the reduced result on the financial activity was driven by lower foreign exchange gains (by PLN 0.4 m), higher income from interest on deposits (by PLN 28.1 m), offset by higher interest expenses (by PLN 23.1 m) and higher commission costs (by PLN 2.8 m). In the third quarter of 2022 alone, the result on the financial activities was higher by PLN 3.2 m than in the corresponding period of the preceding year, which was mainly driven by higher income (by PLN 12.5 m) from interest on deposits and better foreign exchange differences result (by PLN 0.9 m), partly offset by higher financial expenses on interest (increased by PLN 8.8 m) and commission (by PLN 0.8 m).

Lower CIT in both periods under analysis results from the Group's lower profit before tax in 2022 (lower level of the financial revenues has been partly offset by higher operating profit).

The impact of the war in Ukraine and the energy market conditions on the Company's business

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 being 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, the sanctions imposed on Russia and Belarus and the continued tensions in the raw material markets has made us experience abrupt and fundamental changes in the market environment which have been manifested through extremely high volatility of the prices of financial instruments, raw materials and commodities, including fluctuation of the prices of electricity, natural gas and CO^2 emission allowances. The underlying situation of the European energy market has made it clear that any significant curbing of natural gas supply to EU resulting in restricted supply and uncontrolled price increases of gas, coal and electricity, combined with the heat, shortage of water in water power stations and problems in the operation of nuclear power plants, evokes uncontrolled behavior of the market participants and difficult to contain growth of energy and raw material prices. 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, as well as a significant growth of costs related to the hedging costs of transactions concluded in commodity markets. Unacceptability of high energy prices resulted in the introduction of a price freezing act, abolition of the obligatory sale of energy through the exchange and hence limit the profits of companies from energy sector. In a short- and medium-term perspective, the regulatory steps will have adverse impact on the profits generated by the Company. At the same time, the pursuit to stabilize energy prices may entail reduction of the required level of hedging of transactions concluded in the commodity markets.

On October 7, 2022, the Act on special solutions to protect electricity consumers in 2023 in connection with the situation on the electricity market ("Freezing Act") was introduced, and on October 27, 2022, the Act on emergency measures aimed at limiting electricity prices and support for certain consumers in 2023 ("Act on Emergency Measures") (including implementing acts to the indicated acts). The above-mentioned legal acts directly affect the functioning of the Polenergia Group S.A., both in the segment of generation assets and in the segment of trading and selling energy to consumers. This is due to the fact that:

1. The Freezing Act provides for households (including to secure their living needs related to households) to maintain the prices from 2022 in settlements, up to the limit of energy consumption

specified in the regulations;

2. The Act on Emergency Measures defines the maximum prices for the sale of energy to households (including those for securing subsistence needs related to households) (PLN 693/MWh) - applicable after exceeding the consumption limits set out in the Freezing Act, as well as for other eligible consumers (in particular small and medium-sized enterprises and a number of public utility entities) (PLN 785/MWh);

3. The Act on Emergency Measures also limits the revenues generated by energy producers and trading companies. Achieving a surplus of revenues from the sale of energy over the price limits indicated in the regulations results in the obligation to transfer it to the account of the Price Difference Payment Fund.

Therefore, the abovementioned regulations will directly determine the Group's potential revenues in the generation and trading segment in the period from December 1, 2022 to the end of 2023.

The Gas and Clean Fuels segment is, in the opinion of the Management Board, largely immune to the current volatility of prices in 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 CO_2 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 thermal power generation is the supply of light heating oil maintained and increased in Q1 2022, as reserve fuel in the event of limited or discontinued supply of gas. If ENS is called upon to provide system services, the current cost of gas purchase, in accordance with the contracts in force, will be covered by revenues. The continuation of the current gas market and CO_2 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 CHP 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 of the segment from energy sales in 2022. 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 ("green certificates") made the lawmaker declare reduction of the obligation to redeem certificates of origin from 18.5% in 2022 down to 12% in 2023. If the reduction of the redemption obligation for PMOZE_A is too big and exceeds the pace of the old renewable energy sources projects departing from the certificate system, it may lead to a potential big slump of market prices of green certificates. With regard to the sensitivity of the segment's operating part to volatility of interest and exchange rates it must be emphasized that it is limited due to the earlier hedging of interest rate levels to service the investment loans. 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. On top of that, the price volatility coupled with the continued high price levels in the market results in substantial drop in revenues from the Group's RES assets service and RES aggregation. It is also noteworthy that the rising quotations of energy prices in the context of low sales prices hedged in the forward market adversely affect the Group's liquidity in relation to the requirement to secure higher deposits in the stock market. In response to the changing market conditions, the Group has been modifying its RES assets sales strategy and has been aiming at increasing the share of energy sales in OTC transactions and under long term contracts. 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 lead to 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 abolition of the mandatory sale of energy by the exchanges, with planned consolidation of the generation sector, poses a risk of lack of liquidity and transparency, as well as unreliability of price indices, which may affect the Group's ability to operate its business, as well as its revenues. The risks of regulating the energy prices to end-users may have a negative impact on the company by creating a loss that will not be entirely covered by the compensation scheme. In addition, the introduction of the maximum energy sales prices covering also the trading segment poses a significant risk to the activities of the entire Polish trading segment.

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 perspective, until the distribution tariff is updated, that is until Q1 2023, 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 well as to the continued electrification of further sectors of the economy. 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 negative impacts of the current market situation. 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. The regulation of the maximum sales prices applicable to power generators in 2023 may result in a decrease in the economic parameters of the investments in progress. In view of the fuel price increase and the growing demand for gas in the European market, disruptions in the supply chain for the offshore wind power segment have been observed, including because of the shortage of already scarce human and equipment resources from the offshore wind power sector to that dealing with the offshore hydrocarbon extraction, which may necessitate adjustments in the construction programs of the offshore wind farm projects MFW Bałtyk II and MFW Bałtyk III.

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 Group continues works aimed at the development of three wind farm projects of the total capacity of 178 MW which secured auction offtake under the RES support auction scheme.

In August, the Kostomłoty project with the capacity of 27 MW obtained an Operating Permit, and in October 2022 - the license to generate green power.

The start-up phase of the 121 MW Dębsk Wind Farm project underway, in October 2022 the Operating Permit was obtained, last tests and commissioning procedures are in progress, also an application for the generation license has been filed. The award of the license is planned at the turn of 2022 and 2023.

The 13.2 MW Piekło wind farm project which secured an auction offtake in December 2020 is currently at the construction stage. Construction works began in March 2022. 100% of road and foundation works have been completed, 100% of MV cable lines are in place, 80% of the work on the substations have been completed. In October 2022, the supplies of the main components of wind power plants began and pre-installation work started (4/6 pre-installations have been completed). Completion of construction has been scheduled for the second half of 2023.

The 44 MW Grabowo wind farm project, which secured an auction offtake in December 2021, is currently at the construction stage. Construction works began in March 2022. 100% of road and foundation works have been completed, 100% of MV cable lines and 90 % of HV cable lines are in place, 80% of the scope of work on the substation have been completed. In October 2022, the supplies of the main components of wind power plants began and pre-installation work started (6/20 pre-installations have been completed). Completion of construction has been scheduled for the second half of 2023.

Construction of the Sulechów II, Sulechów III and Buk I projects has been completed, with acceptance certificates issued of completion of a civil structure, and installations entered into the MIOZE register kept by ERO.

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 intends to enter into key project contracts, subject to the corporate approvals required for the implementation of these projects.

The subsidiary Polenergia Farma Fotowoltaiczna 12 Sp. Z o. o., developing a portfolio of Świebodzin II photovoltaic farms with a total capacity of 10.5 MWp, was granted a Building Permit. The company has been analyzing various forms of commercialization of the production from this project, including participation in the forthcoming renewable energy sources auction and the sale of energy under long-term contracts.

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. Currently, the Group's portfolio includes photovoltaic (other than those referred to hereinabove) and (onshore) wind projects in a less advanced stage with an aggregate capacity exceeding 1.1 GW. 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 be considered for individual projects, including bidding a portion of the production in the RES auctions to come, selling energy to industrial customers under cPPA contracts or selling energy in the regulated or over the counter market.

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. 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 6 June 2022, the company MFW Bałtyk II Sp. z o.o. filed a notification with the President of the Energy Regulatory Office aimed at requesting an opinion of the Antimonopoly Office (UOKIK) on the draft individual support for the project MFW Bałtyk II and requesting the issuing - after the European Commission issues its decision stating compliance of the state aid to the company with the internal market - of a decision altering the initial decision of the President of ERO and the identifying of the price to be the base for the compensation of the negative balance for the project. The notification is under consideration by the anti-monopoly authority UOKiK. A notification for the MFW Bałtyk III project is being prepared.

On 22 February 2022 the project companies MFW Bałtyk II Sp. O.o. and MFW Bałtyk III Sp. Z o.o. signed contracts with Siemens Gamesa Renewable Energy Poland Sp. And Siemens Gamesa Renewable Energy A/S concerning the preferred supplier of wind turbines for the projects in construction. In August the Early Works Agreement with the turbine supplier entered into force. Service Agreement and Turbine Supply Agreement are being negotiated.

In August 2022, MFW Bałtyk II and MFW Bałtyk III signed a letter of intent with Hitachi Energ, the appointed supplier of electricity systems, under which the supplier will start early works preceding the design stage.

The company MFW Baltic III Sp. Z o.o. 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 sp. z o.o. 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. On 21 April 2022, GDOŚ filed a cassation complaint to the Supreme Administrative Court. The deadline for the examination of the cassation complaint filed by GDOŚ [environmental authority] has been scheduled by the Supreme Administrative Court for 15 November 2022. In addition, on 4 January 2022, the company MFW Bałtyk III sp. Z o.o. 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 MFW Bałtyk III obtained in 2016 (“DŚU 2016”) remained in force, which means extending the period to rely upon said decision from 6 to 10 years.

On 13 June 2022, the company MFW Bałtyk III Sp. Z o.o. filed a request to RDOŚ for a change DŚU 2016 based on Art. 155 of the Code of Administrative Procedure with a view to update the technical parameters of the intended farm. On 8 November 2022 RDOŚ issued decision on change of DŚU 2016. DŚU 2016, after its change, will be allowing installation of assumed wind turbines. Obtaining the status of finality and legitimacy for the decision amending DŚU will help to diminish the risk associated with the proceedings described above, regarding the refusal to determine new environmental conditions for the construction of an offshore wind farm.

Since January 2022 the project companies MFW Bałtyk II Sp. Z o.o. and MFW Bałtyk III Sp. Z o.o. have been performing in-depth geotechnical research required to design the foundations of the WGTs and the offshore substation, as well as to design the power output plant. Such research is scheduled to end in Q4 2022.

On 12 May 2022, the company MFW Bałtyk I S.A. filed a request with RDOŚ for a decision on the environmental conditions for the project named Morska Farma Wiatrowa Bałtyk I [Bałtyk I Offshore Wind Farm].

In preparation for the participation in the auction for a 700 MW project in the Lithuanian areas of the Baltic Sea, the Company, together with its local Lithuanian partner MODUS, appointed the company Ramboll technical adviser to prepare the feasibility study.

Work is in progress in terms of developing gas and hydrogen projects. The large-scale project of generation and storage of hydrogen produced in a water electrolysis process with the participation of the Company's own renewable energy, filed by Polenergia S.A. 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 CHP plant joined international consortium cooperating for the sake of using hydrogen as a zero-emission fuel in gas turbines in the existing European facilities. 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.

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.

Polenergia has been performing preparatory works to implement the project to build a green hydrogen plant at the ENS site. A water electrolysis unit of a few MW will permit to supply hydrogen to first selected customers in the Podkarpacie area and to perform co-combustion tests in the existing gas units. The implementation-related and operational experience gained during this project will allow mitigating project risks in subsequent projects.

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 has been consistently following its strategy in the trading and sales segment. In the first half of 2022, the Company significantly increased sales volumes to strategic end-users up to 1.5 TWh. Further growth in sales volumes depends on market developments, which require a recalculation of risks and costs associated with hedging the customers position for the following years. The regulations being put in place to reduce energy prices for 2023 have largely hampered the opportunities for dynamic sales growth this year. The Company has been developing a long-term cPPA contract sales model based on the existing and newly built generation assets.

The company Polenergia Sprzedaż continues to sell energy generated in the Group's renewable sources. Customers include both business clients and consumer end-users (B2B and B2C). Green energy produced in the Group's generation assets is sold as the Energy 2051 standard product. Customers were solicited for energy supply for the years 2022-2027. As part of the intra-group cooperation, products have been developed and marketed that combine the installation of solar panels and heat pumps with the supply of green energy. 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 fluctuating market conditions shortly before delivery (e.g. due to a breakdown or changes in windiness, insolation, demand). The Company began developing its „structure trading” activity consisting of concluding bilateral transactions with trading entities operating in the European markets in terms of sales, purchase, storage and transmission of natural gas and electricity.

In Q3 2022, Polenergia Fotowoltaika deployed PV systems of the total capacity of 15.4 MW while concurrently Polenergia Pompy Ciepła installed 160 heat pumps. Polenergia Fotowoltaika also began selling the Polenergia 360 product, resulting in 966 contracts for the supply and re-purchase of renewable and zero-emission energy.

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 (Regulatory Asset Base) at PLN 118.1 m. The approved Investment Plan III for the years 2019 - 2022 worth PLN 51 m in total has been under implementation. As part of Investment portfolio III the Company signed 45 contracts. By the end of Q3 2022, connection agreements were finalized and connection readiness was notified for 40 projects/project phases and extension of concession was obtained for 13 projects, with further 10 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 105 m in total. By the end of Q3 2022, the company signed 64 connection agreements, with the total level of CAPEX resulting from liabilities incurred reaching PLN 80.1 m, which accounts for 84.2% of the investment portfolio IV. As part of Investment Plan IV, the Company completed 9 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. The Company continues selling the charging stations to private and business customers. Polenergia eMobility has also started to develop the first public charging stations and has been efficiently procuring further locations for the construction of e-vehicle charging stations all over the country.

In November 2022, the Company will begin selling charging service using the first public charging stations owned by the Company. 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 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 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 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 6 September 2022 Polenergia S.A. obtained information that the President of the Antimonopoly Office (UOKIK) had given, by way of a decision, consent to concentration consisting in the establishment by Polenergia S.A. and Modus of a joint venture for Polenergia S.A. and Modus to cooperate in relation to the intended development of the offshore wind farms in the Baltic Sea within the Lithuanian territorial sea or within the exclusive economic zone of the Republic of Lithuania, within the scope referred to in the project agreement.

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 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. In view of the above, Polenergia S.A. issued a surety to Polenergia Obrót S.A. up to PLN 150 million. On 27 September 2022, the current overdraft agreement with Pekao S.A. was extended until 30 September 2023.

On 7 September 2022, after having obtained the Supervisory Board's approval for the increasing of the available balance (i.e. revolving maximum drawdown amount) under the loan agreement of 29 June 2022 with its subsidiary Polenergia Obrót S.A., Polenergia S.A. increased the available balance by PLN 200 m in total (up to PLN 360 m). Polenergia S.A. made an arrangement with Polenergia Obrót in this respect. According to such arrangement, the available balance was increased until 31 December 2022 and, if not agreed otherwise, since 1 January 2023 it shall revert to the initial amount of PLN 160 m, as agreed in the abovementioned loan agreement.

On 15 June 2022 the Management Board of Polenergia S.A. obtained information that the company Polenergia Obrót S.A. had received a writ of payment from Jeronimo Martins Polska S.A. of PLN 3.5 m and PLN 36 m, hence totaling PLN 39.5 m within 7 days of the date of service. The writ of payment is based on two contracts for the sale of electrical energy, of identical wording, both dated 23 September 2021, for the supply of energy by Polenergia Obrót S.A. to the commercial facilities of Jeronimo Martins Polska S.A. referred to in said contracts. Said contracts were terminated by notice by Polenergia Obrót S.A. and ceased to be binding as of 30 June 2022. The Management Board of Polenergia S.A. believes the claims raised are groundless. Further information concerning the writ of payment will be publicized to the extent required by law.

On 23 September 2022, Polenergia S.A., acting as a consortium leader and its subsidiary Nowa Sarzyna CHP Plant acting as a consortium member, entered into a contract with the National Center for Research and Development for co-financing of the project H2 HUB Nowa Sarzyna: Green Hydrogen Storage in the New Technologies in Energy I contest. The project goal is to develop an integrated water electrolysis system for the production of hydrogen, using electricity produced from renewable energy sources, including hydrogen storage and a CO^2 - neutral synthetic aviation fuel conversion system, which is an eco-efficient energy carrier. In addition to Polenergia S.A. and ENS, the Consortium also includes the Technical University of Wrocław. The project involves research and development and provides for implementation in three phases. According to the agreement on co-financing, the total amount of potential co-financing of the project in the form of grants amounts to PLN 95.1 million, provided that the amount of potential co-financing in phase one amounts to PLN 100 thousand, which represents 50% of the planned financial expenditure for such project phase, which will end in Q3 2023.

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.

On 12 April 2022 a registration took place with KDPW of 21,358,699 ordinary bearer shares of AA series under the code ISIN PLPLSEP00013. Thus the requirement to have the shares listed in the primary market of the Warsaw Stock Exchange was met.

On 21 September 2022, Polenergia S.A. received a notification from Generali Powszechne Towarzystwo Emerytalne S.A. managing the Generali Otwarty Fundusz Emerytalny [Pension Fund] ("the Fund") made pursuant to Art. 69 of the Act, about the Fund's reducing its share in the total number of votes in the Company below the 5% threshold.

On 7 October 2022, the Management Board of Polenergia S.A. received the resignation of Mr. Grzegorz Stanisławski from the function of the Member of the Supervisory Board. Said resignation was filed for personal reasons effective as at 10 October 2022.

On 10 October 2022 the Management Board of Polenergia S.A. received a representation of the shareholder, Mansa Investments sp. z o.o. with registered office in Warsaw about the appointment, under the personal authority provided for in Art. 5.4.2 letter a) sec. i) of the Company Statutes, of Mr. Jacek Santorski as a Member of the Supervisory Board, effective as of 10 October 2022.

On 17 November 2022, the Court of Appeals in Gdańsk, in proceedings under case number I AGa 146/20, announced a verdict in a lawsuit filed by Amon sp. z o.o. with its registered office in Łebcz ("Amon") against Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with its registered office in Warsaw ("PKH"), by which it dismissed in its entirety the appeal filed by PKH against the judgment of the District Court in Gdańsk dated July 25, 2019, case number IX GC 449/15. The July 25, 2019 verdict is a partial and preliminary verdict, by which the Regional Court in Gdańsk (i) determined the ineffectiveness of the statements made by PKH on March 18, 2015 on the termination of the agreement on the sale of property rights arising from certificates of origin, which are evidence of the generation of electricity in a renewable energy source - the Wind Farm in Łukaszów, concluded between Amon and PKH on December 23, 2009, and the agreement for the sale of electricity generated in a renewable energy source - Wind Farm in Łukaszów, concluded between Amon and PKH on December 23, 2009, as a result of which, after the expiration of the notice period, i.e. after April 30, 2015, the property rights sale agreement and the energy sale agreement remain in force as to all provisions and are binding on the parties, and (ii) found Amon's claims to demand payment of compensation for PKH's failure to perform the property rights sale agreement justified in principle. The Court of Appeals' judgment, and consequently the preliminary and partial judgment indicated above, are final, which means that both the issue of the ineffectiveness of PKH's statements of termination of the agreements and the principle of PKH's liability for Amon's damages related to the non-performance of the long-term agreements have been legally determined.

3Q 2022 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**81,7**	**6,1**	**48,6**	**1 148,5**	**43,2**	**2,1**	**-**	**1 330,2**
Operating costs, including	**(36,7)**	**(1,5)**	**(47,9)**	**(1 144,8)**	**(32,8)**	**0,6**	**(2,0)**	**(1 265,1)**
operating costs (without granted green certificates adjustment)	(14,4)							(14,4)
depreciation/amortization	(18,9)	(0,8)	(3,3)	(1,4)	(1,9)	(1,3)	(2,0)	(29,6)
granted green certificates adjustment	(3,3)							(3,3)
Gross profit on sales	**45,0**	**4,6**	**0,7**	**3,7**	**10,4**	**2,7**	**(2,0)**	**65,1**
Gross profit on sales margin	*55,1%*	*75,8%*	*1,5%*	*0,3%*	*24,1%*	*"n/a"*	*"n/a"*	*4,9%*
				(30,6)				(30,6)
General overheads	(1,3)	(0,3)	(1,7)	(15,6)	(2,0)	(10,7)	-	(31,6)
Other operating activities	1,3	0,0	(0,3)	(0,2)	0,1	(0,3)	-	0,5
including imairment losses	(0,0)	-	-	-	-	(0,0)	-	(0,1)
Operating profit	**44,9**	**4,3**	**(1,3)**	**(42,7)**	**8,4**	**(8,4)**	**(2,0)**	**3,4**
EBITDA	**63,9**	**5,1**	**2,1**	**(41,3)**	**10,3**	**(7,1)**	**-**	**33,0**
EBITDA Margin	*78,2%*	*83,9%*	*4,3%*	*-3,6%*	*23,9%*	*"n/a"*	*"n/a"*	*2,5%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**63,9**	**5,1**	**2,1**	**(41,3)**	**10,3**	**(7,1)**	**-**	**33,0**
Adjusted EBITDA Margin	*78,2%*	*83,9%*	*4,3%*	*-3,6%*	*23,9%*	*"n/a"*	*"n/a"*	*2,5%*
Profit (loss) on financial activities	(9,7)	(0,3)	(0,3)	(5,8)	(1,6)	11,2	-	(6,5)
Profit (loss) before tax	**35,2**	**4,1**	**(1,5)**	**(48,5)**	**6,8**	**2,8**	**(2,0)**	**(3,2)**
Income tax								0,4
Net profit (loss) from continuing operations								**(2,8)**
Profit from discontinued operating activities								-
Profit on disposal of discontinued operations								-
Net profit (loss) for period								**(2,8)**
Normalizing adjustments:								
Purchase price allocation (PPA)								2,0
Foreign exchange differences								(10,7)
Loan valuation using amortized cost method								0,1
Impairment losses								0,1
Net result on sale of assets ***								-
Adjusted net profit								**(11,3)**

*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.

3Q 2021 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**49,2**	**1,1**	**64,4**	**576,1**	**27,7**	**1,7**	**-**	**720,3**
Operating costs, including	**(31,3)**	**(0,5)**	**(7,0)**	**(557,2)**	**(22,8)**	**(2,2)**	**(0,2)**	**(621,3)**
operating costs (without granted green certificates adjustment)	(8,1)	-	-	-	-	-	-	(8,1)
depreciation/amortization	(16,6)	(0,2)	(3,3)	(0,1)	(1,6)	(0,6)	(0,2)	(22,6)
granted green certificates adjustment	(6,6)	-	-	-	-	-	-	(6,6)
Gross profit on sales	**17,9**	**0,6**	**57,4**	**18,9**	**4,9**	**(0,5)**	**(0,2)**	**99,0**
Gross profit on sales margin	*36,4%*	*53,1%*	*89,1%*	*3,3%*	*17,6%*	*"n/a"*	*"n/a"*	*13,7%*
General overheads	(1,0)	(0,1)	(2,1)	(5,1)	(1,6)	(18,0)	-	(27,7)
Other operating activities	0,8	0,0	(13,6)	0,4	(0,1)	(0,0)	-	(12,6)
including imairment losses	(0,0)	-	-	-	-	(0,0)	-	(0,0)
Operating profit	**17,7**	**0,5**	**41,7**	**14,2**	**3,2**	**(18,5)**	**(0,2)**	**58,7**
EBITDA	**34,4**	**0,7**	**45,0**	**14,3**	**4,8**	**(4,0)**	**-**	**95,1**
EBITDA Margin	*69,9%*	*65,7%*	*69,8%*	*2,5%*	*17,3%*	*"n/a"*	*"n/a"*	*13,2%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**34,4**	**0,7**	**45,0**	**14,3**	**4,8**	**(4,0)**	**-**	**95,1**
Adjusted EBITDA Margin	*69,9%*	*65,7%*	*69,8%*	*2,5%*	*17,3%*	*"n/a"*	*"n/a"*	*13,2%*
Profit (loss) on financial activities	(8,0)	(0,1)	0,2	(0,8)	(0,8)	(0,1)	-	(9,7)
Profit (loss) before tax	**9,7**	**0,4**	**41,9**	**13,4**	**2,4**	**(18,6)**	**(0,2)**	**48,9**
Income tax								(9,9)
Net profit (loss) for period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,0**
Profit from discontinued operating activities								(1,6)
Profit on disposal of discontinued operations								4,4
Net profit (loss) for period								**41,8**
Normalizing adjustments:								
Purchase price allocation (PPA)								0,2
Foreign exchange differences								0,1
Loan valuation using amortized cost method								0,4
Impairment losses								0,0
Net result on the sale of assets								11,2
Adjusted net profit								**53,7**
Change of adjusted EBITDA yoy	**29,5**	**4,4**	**(42,9)**	**(55,6)**	**5,5**	**(3,1)**	**-**	**(62,1)**

*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.

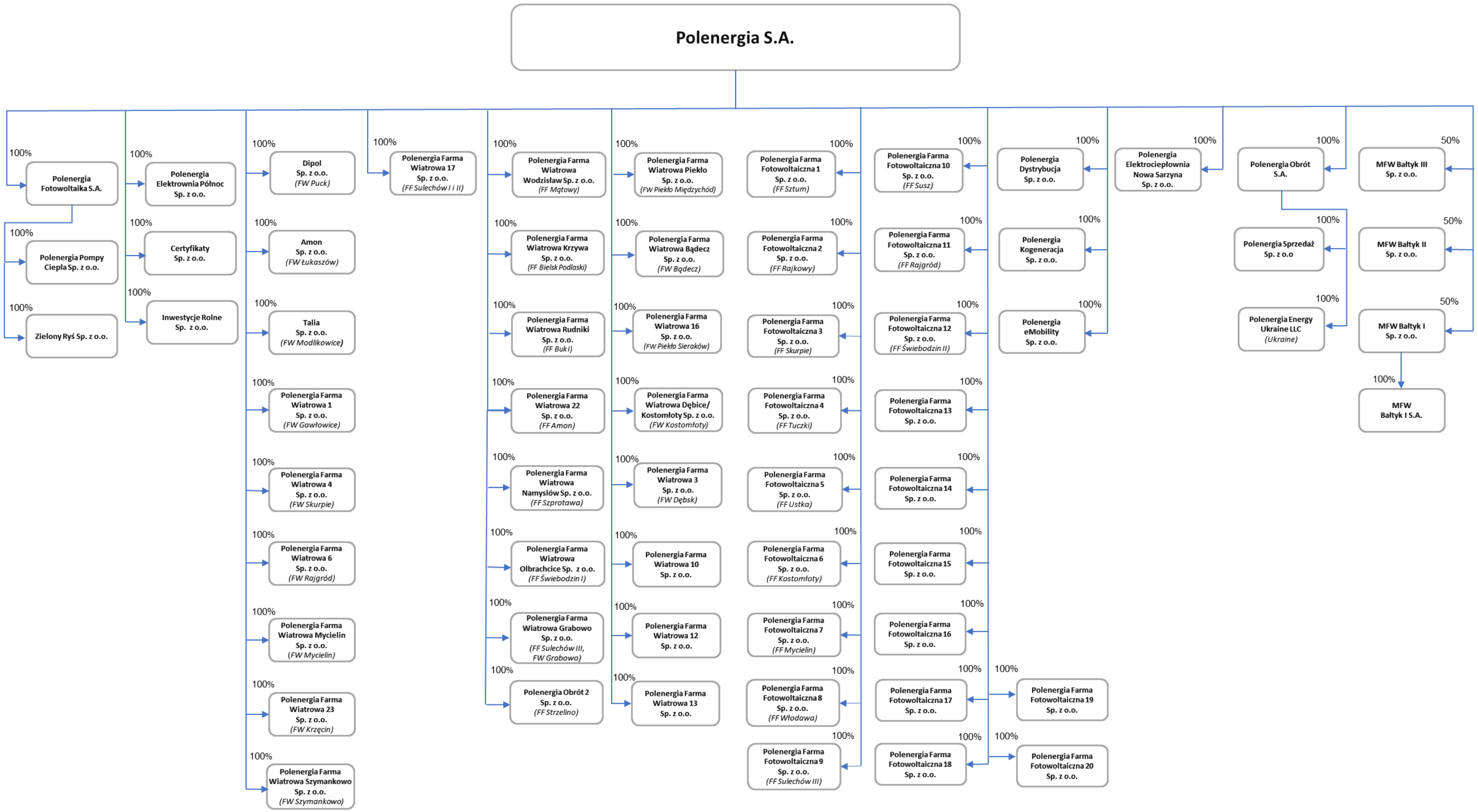
9M 2022 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**300,4**	**13,8**	**106,5**	**4 604,1**	**112,0**	**6,4**	**-**	**5 143,1**
Operating costs, including	**(109,0)**	**(2,8)**	**(106,2)**	**(4 493,1)**	**(91,0)**	**(5,2)**	**(2,1)**	**(4 809,5)**
operating costs (without granted green certificates adjustment)	(39,9)							(39,9)
depreciation/amortization	(55,4)	(1,5)	(10,0)	(3,3)	(5,6)	(2,8)	(2,1)	(80,8)
granted green certificates adjustment	(13,6)							(13,6)
Gross profit on sales	**191,4**	**11,0**	**0,2**	**111,0**	**20,9**	**1,1**	**(2,1)**	**333,6**
Gross profit on sales margin	*63,7%*	*79,6%*	*0,2%*	*2,4%*	*18,7%*	*"n/a"*	*"n/a"*	*6,5%*
Selling expenses				(85,3)				(85,3)
General overheads	(3,4)	(0,5)	(5,1)	(42,8)	(5,7)	(27,6)	-	(85,1)
Other operating activities	2,8	(0,3)	(1,2)	(0,0)	0,2	(1,4)	-	0,1
including imairment losses	(0,3)	-	-	-	-	(0,0)	-	(0,3)
Operating profit	**190,9**	**10,1**	**(6,1)**	**(17,0)**	**15,4**	**(27,9)**	**(2,1)**	**163,3**
EBITDA	**246,6**	**11,6**	**3,9**	**(13,7)**	**21,0**	**(25,1)**	**-**	**244,3**
EBITDA Margin	*82,1%*	*84,3%*	*3,7%*	*-0,3%*	*18,8%*	*"n/a"*	*"n/a"*	*4,8%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**246,6**	**11,6**	**3,9**	**(13,7)**	**21,0**	**(25,1)**	**-**	**244,3**
Adjusted EBITDA Margin	*82,1%*	*84,3%*	*3,7%*	*-0,3%*	*18,8%*	*"n/a"*	*"n/a"*	*4,8%*
Profit (loss) on financial activities	(28,9)	(0,9)	(1,1)	(13,8)	(4,0)	21,1	-	(27,6)
Profit (loss) before tax	**162,0**	**9,2**	**(7,2)**	**(30,9)**	**11,4**	**(6,8)**	**(2,1)**	**135,7**
Income tax								(27,7)
Net profit (loss) from continuing operations								**108,0**
Profit from discontinued operating activities								-
Profit on disposal of discontinued operations								-
Net profit (loss) for period								**108,0**
Normalizing adjustments:								
Purchase price allocation (PPA)								2,1
Foreign exchange differences								(3,3)
Loan valuation using amortized cost method								0,7
Impairment losses								0,3
Net result on the sale of assets								-
Adjusted net profit								**107,7**

*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.

9M 2021 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**172,8**	**2,8**	**173,9**	**1 499,4**	**78,9**	**4,8**	**-**	**1 932,5**
Operating costs, including	**(91,9)**	**(1,6)**	**(58,5)**	**(1 443,6)**	**(66,2)**	**(6,6)**	**(0,7)**	**(1 669,0)**
operating costs (without granted green certificates adjustment)	(33,2)	-	-	-	-	-	-	(33,2)
depreciation/amortization	(48,4)	(0,6)	(12,1)	(0,1)	(4,6)	(1,8)	(0,7)	(68,3)
granted green certificates adjustment	(10,3)	-	-	-	-	-	-	(10,3)
Gross profit on sales	**80,9**	**1,2**	**115,4**	**55,8**	**12,7**	**(1,8)**	**(0,7)**	**263,5**
Gross profit on sales margin	*46,8%*	*43,9%*	*66,3%*	*3,7%*	*16,1%*	*"n/a"*	*"n/a"*	*13,6%*
General overheads	(2,7)	(0,2)	(5,5)	(13,7)	(4,6)	(25,7)	-	(52,4)
Other operating activities	2,3	0,0	(14,7)	1,0	0,1	0,1	-	(11,2)
including imairment losses	(0,1)	-	-	-	-	(0,0)	-	(0,2)
Operating profit	**80,5**	**1,0**	**95,2**	**43,1**	**8,2**	**(27,5)**	**(0,7)**	**199,9**
EBITDA	**129,0**	**1,6**	**107,3**	**43,3**	**12,8**	**(11,8)**	**-**	**282,3**
EBITDA Margin	*74,7%*	*58,8%*	*61,7%*	*2,9%*	*16,2%*	*"n/a"*	*"n/a"*	*14,6%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**129,0**	**1,6**	**107,3**	**43,3**	**12,8**	**(11,8)**	**-**	**282,3**
Adjusted EBITDA Margin	*74,7%*	*58,8%*	*61,7%*	*2,9%*	*16,2%*	*"n/a"*	*"n/a"*	*14,6%*
Profit (loss) on financial activities	(23,5)	(0,4)	(0,9)	(2,6)	(2,3)	226,7	-	196,9
Profit (loss) before tax	**57,0**	**0,6**	**94,3**	**40,6**	**5,9**	**199,2**	**(0,7)**	**396,9**
Income tax								(77,9)
Net profit (loss) for period								**319,0**
Profit from discontinued operating activities								(1,6)
Profit on disposal of discontinued operations								4,4
Net profit (loss) for period								**321,7**
Normalizing adjustments:								
Purchase price allocation (PPA)								0,5
Foreign exchange differences								0,2
Loan valuation using amortized cost method								1,0
Impairment losses								0,2
Net result on the sale of assets								(174,9)
Adjusted net profit								**148,8**
Change of adjusted EBITDA yoy	**117,5**	**10,0**	**(103,4)**	**(57,0)**	**8,2**	**(13,2)**	**-**	**(38,0)**

*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 9-MONTH PERIOD ENDED ON 30 SEPTEMBER 2022

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2022

ASSETS

	30.09.2022	31.12.2021
I. Non-current assets	**4 455 935**	**3 333 889**
1. Tangible fixed assets	2 985 873	2 514 987
2. Intangible assets	9 498	6 392
3. Subordinated entities goodwill	150 960	69 129
4. Financial assets	898 834	453 753
5. Financial assets measured using the equity method	394 093	283 593
6. Long term receivables	1 987	2 554
7. Deferred income tax assets	14 341	3 438
8. Prepayments and accrued income	349	43
II. Current assets	**3 702 898**	**2 273 292**
1. Inventories	104 891	45 078
2. Trade receivables	274 047	219 909
3. Income tax receivable	24 992	10 061
4. Other short term receivables	154 330	353 753
5. Prepayments and accrued income	8 173	8 261
6. Short term financial assets	2 350 481	1 248 864
7. Cash and equivalent	785 984	387 366
Total assets	**8 158 833**	**5 607 181**

EQUITY AND LIABILITIES

	30.09.2022	31.12.2021
I. Shareholders' equity	**3 069 609**	**1 857 092**
Equity attributable to the shareholders of the parent company	**3 069 609**	**1 857 092**
1. Share capital	133 604	90 887
2. Share premium account	1 515 942	557 983
3. Reserve capital from option measurement	13 207	13 207
4. Other capital reserves	963 116	618 105
5. Retained profit (loss)	335 778	239 486
6. Net profit	108 003	337 376
7. F/X translation differences	(41)	48
II. Long term liabilities	**2 235 755**	**1 609 033**
1. Bank loans and borrowings	1 145 527	1 020 429
2. Deferred income tax provision	126 788	105 420
3. Provisions	23 283	23 380
4. Accruals and deferred income	41 309	43 704
5. Lease liabilities	233 185	207 556
6. Futures and forward contracts measurement	663 979	207 044
7. Other liabilities	1 684	1 500
III. Short term liabilities	**2 853 469**	**2 141 056**
1. Bank loans and borrowings	219 468	413 922
2. Trade payables	186 368	230 946
3. Income tax payable	3 069	14 475
4. Lease liabilities	20 265	11 734
5. Futures and forward contracts measurement	2 226 519	1 216 122
6. Other liabilities	109 292	211 512
7. Provisions	5 961	3 647
8. Accruals and deferred income	82 527	38 698
Total equity and liabilities	**8 158 833**	**5 607 181**

(PLN k)

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
for a 9-month period ended on 30 September 2022

	Note	For 9 months ended 30.09.2022	For 9 months ended 30.09.2021	For 3 months ended 30.09.2022 unaudited	For 3 months ended 30.09.2021 unaudited
Revenues from contracts with clients	4.1	5 124 546	1 810 965	1 325 599	661 709
Other revenues	4.1	18 584	121 555	4 621	58 547
Sales revenues	4.1	**5 143 130**	**1 932 520**	**1 330 220**	**720 256**
Cost of goods sold	4.2	(4 809 502)	(1 669 007)	(1 265 093)	(621 264)
Gross sales profit		**333 628**	**263 513**	**65 127**	**98 992**
Other operating revenues	4.3	4 364	3 407	1 461	1 109
Selling expense	4.2	(85 268)	(344)	(30 645)	(74)
General overheads	4.2	(85 146)	(52 404)	(31 597)	(27 730)
Other operating expenses	4.4	(4 304)	(14 253)	(990)	(13 639)
Financial income	4.5	30 197	227 531	13 549	373
Financial costs	4.6	(57 793)	(30 590)	(20 064)	(10 092)
Profit before tax		**135 678**	**396 860**	**(3 159)**	**48 939**
Income tax	4.11	(27 675)	(77 895)	377	(9 897)
Net profit from continuing operations		**108 003**	**318 965**	**(2 782)**	**39 042**
Discontinued activity					
Profit/Loss from discountinued operating activites		-	(1 626)	-	(1 626)
Profit on disposal of discountinued opeations		-	4 366	-	4 366
Net profit		**108 003**	**321 705**	**(2 782)**	**41 782**
Net profit attributed to:		**108 003**	**321 705**	**(2 782)**	**41 782**
Parent company shareholders		108 003	321 801	(2 782)	41 803
Non-controling shareholders		-	(96)	-	(21)
Earnings per share:					
– basic earnings (loss) for period attributable to parent company shareholders		1,88	7,08	-0,05	0,92
– diluted earnings (loss) for period attributable to parent company shareholders		1,88	7,08	-0,05	0,92

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for a 9-month period ended on 30 September 2022

	For 9 months ended 30.09.2022	For 9 months ended 30.09.2021	For 3 months ended 30.09.2022 unaudited	For 3 months ended 30.09.2021 unaudited
Net profit for period	**108 003**	**321 705**	**(2 782)**	**41 782**
Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met				
Cash flow hedges	103 927	52 247	(4 203)	29 613
F/X translation differences	(89)	11	(20)	8
Other net comprehensive income	**103 838**	**52 258**	**(4 223)**	**29 621**
COMPREHENSIVE INCOME FOR PERIOD	**211 841**	**373 963**	**(7 005)**	**71 403**
Comprehensive income for period:	211 841	373 963	(7 005)	71 403
Parent company shareholders	211 841	374 059	(7 005)	71 424
Non-controlling shareholders	-	(96)	-	(21)

(PLN k)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for a 9-month period ended on 30 September 2022

	Noty	For 9 months ended 30.09.2022	30.09.2021
A.Cash flow from operating activities			
I.Profit (loss) before tax		**135 678**	**399 600**
II.Total adjustments		**(5 517)**	**(245 597)**
1.Depreciation		80 786	68 334
2.Foreign exchange losses (gains)		201	(6)
3.Interest and profit shares (dividends)		38 694	24 012
4.Losses (gains) on investing activities		7 909	(225 190)
5. Income tax		(65 818)	(59 368)
6.Changes in provisions		1 261	959
7.Changes in inventory		(21 283)	8 350
8.Changes in receivables		(1 305 044)	(1 594 988)
9.Changes in liabilities, excluding bank loans and borrowings		1 232 584	1 524 653
10.Changes in accruals		27 646	4 849
11. Other adjustments		(2 453)	2 798
III.Net cash flows from operating activities (I+/-II)		**130 161**	**154 003**
B.Cash flows from investing activities			
I. Cash in		**2 514**	**229 861**
1. Disposal of intangibles and tangible fixed assets		48	57
2. From financial asstes, including:		-	231 695
a) disposal of financial asstes		-	227 375
b) repayment of long-term loans given		-	4 000
c) interest		-	64
b) other inflows from financial asstes		-	256
3. Cash from disposal/liquidation/acquisition of subsidiary		2 466	(1 891)
II.Cash out		**601 686**	**348 585**
1. Acquisition of tangible fixed assets		480 290	286 306
2. For financial asstes, including:		121 396	62 279
a) acquisition of financial assets		121 201	62 279
b) long term loans given		195	-
III.Net cash flows from investing activities (I-II)		**(599 172)**	**(118 724)**
C.Cash flows from financing activities			
I.Cash in		**1 307 128**	**362 491**
1. Cash in from the issue of shares		1 003 859	-
2.Loans and borrowings		303 269	362 491
II.Cash out		**439 500**	**104 267**
1.Repayment of loans and borrowings		388 090	74 548
2.Lease payables		8 451	4 629
3.Interest		42 705	24 897
4.Other financial expenses		254	193
III.Net cash flows from financing activities (I-II)		**867 628**	**258 224**
D.Total net cash flows (A.III+/-B.III+/-C.III)		**398 617**	**293 503**
E.Increase/decrease in cash in the balance sheet, including:		**398 618**	**293 586**
- change in cash due to f/x differences		1	83
F.Cash at beginning of period		**387 366**	**374 347**
G.Cash at end of period, including:		**785 984**	**667 933**
- restricted cash	4.7	33 956	37 387

(PLN k)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for a 9-month period ended on 30 September 2022

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translattion differences	Equity attributable to the shareholders of the parent company	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	-	-	-	-	-	108 003	-	108 003	108 003
- Other comprehensive income for period	-	-	-	103 927	-	-	(89)	103 838	103 838
Transactions with owners of the parent recognized directly in equity									
- Issue of shares	42 717	957 959	-	-	-	-	-	1 000 676	1 000 676
- Alocation of profit/loss	-	-	-	241 084	(241 084)	-	-	-	-
As at 30 September 2022	**133 604**	**1 515 942**	**13 207**	**963 116**	**335 778**	**108 003**	**(41)**	**3 069 609**	**3 069 609**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translattion differences	Equity attributable to the shareholders of the parent company	Total equity
As at January 2021	**90 887**	**557 983**	**13 207**	**459 811**	**295 588**	**-**	**(8)**	**1 417 468**	**1 418 368**
Comprehensive income for reporting period									
- Net profit (loss) for reporting period	-	-	-	-	-	321 801	-	321 801	321 705
- Other comprehensive income for period	-	-	-	52 247	-	-	11	52 258	52 258
Transactions with owners of the parent recognized directly in equity									
- Other	-	-	-	(477)	-	-	-	(477)	(1 281)
- Alocation of profit/loss	-	-	-	56 102	(56 102)	-	-	-	-
As at 30 September 2021	**90 887**	**557 983**	**13 207**	**567 683**	**239 486**	**321 801**	**3**	**1 791 050**	**1 791 050**

(PLN k)

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 9-month period commencing on 1 January and ending on 30 September 2022, as well as the comparable period since 1 January until 30 September 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 9-month period ended on 30 September 2022 and the comparative data for the 9-month period ended on 30 September 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 audited 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 30 September 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.**

In addition, in connection with the acquisition of the company Polenergia Fotowoltaika S.A. (former Edison Energia S.A) referred to in Note 4.8, when recognizing revenues from the deployment of the PV panels and heat pumps, the Group applied the rules in line with IFRS 15 "Revenue from Contracts with Customers" and has been recognizing revenues during the delivery of the performance obligation, as per item 39 of IFRS 15 which reads that for each performance obligation satisfied over time, an entity shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The measurement of the degree of satisfying the obligation is based on the input method.

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:

	30.09.2022	31.12.2021	30.09.2021
USD	4.9533	4.0600	3.9925
EUR	4.8698	4.5994	4.6329
GBP	5.5560	5.4846	5.3653

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

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit before tax	135 678	396 860	(3 159)	48 939
Fianancial revenues	(30 197)	(227 531)	(13 549)	(373)
Financial costs	57 793	30 590	20 064	10 092
Depreciation/Amortization	80 786	68 334	29 612	22 575
Cost connected with result of result of control over subsidiaries	-	13 863	-	13 863
Development - related impairment loss	280	177	64	37
EBITDA	**244 340**	**282 293**	**33 032**	**95 133**
Adjusted EBITDA	**244 340**	**282 293**	**33 032**	**95 133**

Consolidated Quarterly Report for Q3 2022 ended on 30 September 2022 (PLN k)

Adjusted net profit (loss) attributed to parent shareholders

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
NET PROFIT attributed to parent shareholders	**108 003**	**321 801**	**(2 782)**	**41 803**
Unrealized foreign exchange net (gains)/losses	(3 328)	242	(10 698)	119
(Income)/Cost from measurement of long-term borrowings	699	1 041	113	351
(Net profit) on loss of control over subsidiaries	-	(174 908)	-	11 229
Development - related impairment loss	280	177	64	37
Purchase price allocation:				
Depreciation/Amortization	2 127	657	1 995	219
Tax	(38)	(126)	(14)	(42)
Adjusted NET PROFIT attributed to parent shareholders	**107 743**	**148 884**	**(11 322)**	**53 716**

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 operation of facilities generating electrical energy from onshore wind,
- Photovoltaics – development, construction and operation of facilities generating electrical energy using the solar radiation,
- Offshore wind farms – development, construction and operation of facilities generating electrical energy from wind at sea,
- Gas & Clean Fuels -– development, construction and maintenance of facilities generating electrical energy and thermal power from gas fuel and carrying out development work with respect to the production of hydrogen and its derivatives based on the energy from renewable sources with a view to use hydrogen in industry, transport and energy sector.
- 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 the 9 months of 2022 also include those of the Polenergia Fotowoltaika Group which deals with the sale and assembly of PV panels and heat pumps to end-users.
- Distribution and eMobility – providing electricity and gas distribution and sales services to commercial, industrial and individual customers, and developing, building and operating networks of public and private hybrid and electric vehicle charging stations, as well as other services in the area of electro-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. The assessment is based on the EBITDA result and gross profit or loss on sales relative to the volume of assets involved and liabilities incurred. 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.

Consolidated Quarterly Report for Q3 2022 ended on 30 September 2022 (PLN k)

For 9 months ended 30.09.2022	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	300 408	13 768	-	114 638	4 577 387	111 990	6 355	-	5 124 546
Other revenues	-	-	-	(8 160)	26 744	-	-	-	18 584
Total revenues	300 408	13 768	-	106 478	4 604 130	111 990	6 356	-	5 143 130
Net sales profit (loss)	**191 445**	**10 966**	**-**	**242**	**111 037**	**20 946**	**1 119**	**(2 127)**	**333 628**
Selling costs	-	-	-	-	(85 268)	-	-	-	(85 268)
General overheads	(3 364)	(539)	-	(5 104)	(42 808)	(5 698)	(27 633)	-	(85 146)
Interest income/(expense)	(26 349)	(766)	-	597	(9 605)	(3 642)	20 848	-	(18 917)
Other financial revenue/(expense)	(2 559)	(150)	-	(1 665)	(4 199)	(311)	205	-	(8 679)
Other operating revenue/(expense)	2 822	(278)	-	(1 247)	(10)	153	(1 380)	-	60
Profit/loss before tax	**161 995**	**9 233**	**-**	**(7 177)**	**(30 853)**	**11 448**	**(6 841)**	**(2 127)**	**135 678**
Income tax	-	-	-	-	-	-	(27 713)	38	(27 675)
Net profit/loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108 003**
EBITDA *)	246 575	11 601	-	3 938	(13 734)	21 023	(25 063)	-	244 340
Segment assets	2 788 229	404 419	394 093	200 906	3 710 923	201 931	458 332	-	8 158 833
Segment liabilities	1 398 879	121 159	-	32 984	3 335 484	119 484	81 234	-	5 089 224
Depreciation/Amortization	55 419	1 452	-	10 046	3 315	5 619	2 808	2 127	80 786

*) EBITDA - definition in Note 2

Consolidated Quarterly Report for Q3 2022 ended on 30 September 2022 (PLN k)

For 9 months ended 30.09.2021	RES Generation: On shore wind farms	RES Generation: Photovoltaics	RES Generation: Off shore wind farms	Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Purchase price allocation	Total
Revenues from contracts with clients	172 775	2 781	-	92 662	1 459 049	78 930	4 768	-	1 810 965
Other revenues	-	-	-	81 230	40 325	-	-	-	121 555
Total revenues	172 775	2 781	-	173 892	1 499 374	78 930	4 768	-	1 932 520
Net sales profit (loss)	**80 903**	**1 220**	**-**	**115 377**	**55 814**	**12 690**	**(1 834)**	**(657)**	**263 513**
General overheads	(2 710)	(204)	-	(5 453)	(13 676)	(4 621)	(25 740)	-	(52 404)
Interest income/(expense)	(20 956)	(361)	-	-	(779)	(2 005)	328	-	(23 773)
Other financial revenue/(expense)	(2 573)	(41)	-	(929)	(1 793)	(292)	226 342	-	220 714
Other operating revenue/(expense)	2 312	2	-	(14 693)	1 010	113	66	-	(11 190)
Profit/loss before tax	**56 976**	**616**	**-**	**94 302**	**40 576**	**5 885**	**199 162**	**(657)**	**396 860**
Income tax	-	-	-	-	-	-	(78 021)	126	(77 895)
Net profit/loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**318 965**
EBITDA *)	129 048	1 635	-	107 316	43 297	12 823	(11 826)	-	282 293
Segment assets	2 205 310	93 462	225 093	233 585	1 950 405	180 858	357 497	-	5 246 210
Segment liabilities	1 405 754	43 944	-	40 135	1 826 230	107 910	31 187	-	3 455 160
Depreciation/Amortization	48 398	617	-	12 085	149	4 641	1 787	657	68 334

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For 9 months ended 30.09.2022		RES Generation						
		On shore wind farms	Photovoltaics	Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Total
- revenue from sale and distribution of electricity	over time	222 093	13 759	73 176	3 048 251	108 201	-	3 465 480
- revenue from certificates of orgin	over time	78 304	-	155	761 382	-	-	839 841
- revenue from sale of heat	point in time	-	-	23 499	-	-	-	23 499
- revenue from consulting and advisory services	over time	-	-	-	-	-	6 082	6 082
- revenue from lease and operator services	over time	-	-	-	-	(476)	-	(476)
- revenue from sale and distribution of gas	over time	-	-	-	465 656	3 709	-	469 365
- revenue from sale of merchandise	over time	-	-	-	-	109	-	109
- revenue from lease	over time	11	-	-	-	8	235	254
- revenue from the capacity market and blackstart services	point in time	-	-	17 807	-	-	-	17 807
- revenue from the solar panels and heat pomps instalation	over time	-	-	-	300 121	-	-	300 121
- other	over time	-	9	1	1 976	439	39	2 464
Total revenue from clients		**300 408**	**13 768**	**114 638**	**4 577 386**	**111 990**	**6 356**	**5 124 546**
- revenues from the valuation of futures contracts	over time	-	-	(8 160)	19 544	-	-	11 384
- revenues from CO2 emission allowances	point in time	-	-	-	7 200	-	-	7 200
Total other revenue		**-**	**-**	**(8 160)**	**26 744**	**-**	**-**	**18 584**
Total sales revenue		**300 408**	**13 768**	**106 478**	**4 604 130**	**111 990**	**6 356**	**5 143 130**

For 9 months ended 30.09.2021		RES Generation						
		On shore wind farms	Photovoltaics	Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Total
- revenue from sale and distribution of electricity	over time	101 370	2 779	58 576	1 216 162	72 322	-	1 451 209
- revenue from certificates of orgin	over time	71 394	-	-	24 168	-	-	95 562
- revenue from sale of heat	point in time	-	-	13 286	-	-	-	13 286
- revenue from consulting and advisory services	over time	-	-	-	-	-	4 485	4 485
- revenue from lease and operator services	over time	-	-	-	-	2 981	-	2 981
- revenue from sale and distribution of gas	over time	-	-	-	215 339	3 607	-	218 946
- revenue from lease	over time	11	-	-	-	7	267	285
- revenue from the capacity market and blackstart services	over time	-	-	20 799	-	-	-	20 799
- other	over time	-	2	1	3 380	13	16	3 412
Total revenue from clients		**172 775**	**2 781**	**92 662**	**1 459 049**	**78 930**	**4 768**	**1 810 965**
- revenues from the valuation of futures contracts		-	-	46 605	37 365	-	-	83 970
- revenues from CO2 emission allowances	point in time	-	-	-	2 960	-	-	2 960
Total other revenue		**-**	**-**	**81 230**	**40 325**	**-**	**-**	**121 555**
Total other revenue		**172 775**	**2 781**	**173 892**	**1 499 374**	**78 930**	**4 768**	**1 932 520**

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4. Other notes

4.1 Sales revenue

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- revenue from sale and distribution of electricity	3 465 480	1 451 209	1 094 747	512 197
- revenue from certificates of orgin	839 841	95 562	24 204	35 984
- revenue from sale of heat	23 499	13 286	7 659	3 663
- revenue from consulting and advisory services	6 082	4 485	2 052	1 640
- revenue from lease and operator services	(476)	2 981	464	1 203
- revenue from sale and distribution of gas	469 365	218 946	92 821	99 322
- revenue from sale of merchandise	109	-	57	-
- revenue from lease	254	285	77	103
- revenue from the capacity market and blackstart services	17 807	20 799	6 034	7 176
- revenue from the solar panels and heat pomps instalation	300 121	-	98 777	-
- other	2 464	3 412	(1 293)	421
Total revenue from clients	**5 124 546**	**1 810 965**	**1 325 599**	**661 709**
- revenues from the valuation of futures contracts	11 384	83 970	4 621	22 542
- revenues from the stranded costs and cost of gas	-	34 625	-	34 625
- revenues from CO2 emission allowances	7 200	2 960	-	1 380
Total other revenue	**18 584**	**121 555**	**4 621**	**58 547**
Total sales revenue	**5 143 130**	**1 932 520**	**1 330 220**	**720 256**

4.2 Cost according to type

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- depreciation	80 786	68 334	29 612	22 575
- materials and power consumption	198 836	38 665	73 422	33 058
- third party services	178 775	58 742	58 270	30 193
- taxes, duties and fees	16 673	12 834	5 155	1 338
- salaries	61 683	31 832	21 367	10 157
- social security and other benefits	9 838	4 808	3 055	1 259
- other cost by type	3 240	1 359	1 150	499
Total cost by type	**549 831**	**216 574**	**192 031**	**99 079**
- marchandise and materials sold (+)	4 416 464	1 494 869	1 131 960	547 063
- selling certificates of orgin	78 324	71 405	18 292	19 311
- income from granted certificates of orgin	(64 703)	(61 093)	(14 948)	(16 385)
- selling expenses (-)	(85 268)	(344)	(30 645)	(74)
- general overheads (-)	(85 146)	(52 404)	(31 597)	(27 730)
Total cost of goods sold	**4 809 502**	**1 669 007**	**1 265 093**	**621 264**

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4.3 Other operating revenues

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- reversal of impairment losses, including:	-	320	-	-
- expected credit loss	-	320	-	-
- reversal of provisions, including:	90	-	90	-
- other	90	-	90	-
- other, including:	4 274	3 087	1 371	1 109
- compensation and additional payments	228	22	160	14
- grant settelment	2 422	2 411	827	800
- gains on disposal of non financial fixed assets	192	52	158	-
- reinvoicing	70	-	34	-
- other	1 362	602	192	295
Total other operating revenues	**4 364**	**3 407**	**1 461**	**1 109**

4.4 Other operating expenses

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- asset impairment losses, including:	924	13 542	(59)	13 282
- expected credit loss	644	13 365	(123)	13 245
- non-current fixed assets	280	177	64	37
- other, including:	3 380	711	1 049	357
- penalties, fines compensation payable	108	57	10	-
- donation	2 067	401	513	203
- loss on disposal of non-financial fixed assets	81	-	81	-
- complaints,compensation	585	-	300	-
- repair costs covered by compensation	131	-	-	-
- other	408	253	145	154
Total other operating costs	**4 304**	**14 253**	**990**	**13 639**

4.5 Financial income

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- financial income from interest on deposit and loans	28 258	164	12 511	57
- interest from lease	-	99	-	-
- f/x differences, including:	624	427	502	19
- unrealized	5 221	334	5 111	119
- realized	(4 597)	93	(4 609)	(100)
- valuation of financial liablities	216	-	162	-
- other surety - related fees	593	423	317	205
- disposal of shares in a subsidiary	-	225 531	-	(244)
- other	506	887	57	336
Total financial revenue	**30 197**	**227 531**	**13 549**	**373**

4.6 Financial expenses

	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
- interest expenses	47 175	24 036	17 205	8 387
- f/x differences, including:	1 803	1 191	(183)	244
- unrealized	1 112	633	(8 097)	266
- realized	691	558	7 914	(22)
- commission an other fees	5 628	2 827	1 981	1 198
- measurement of financial liabilities *)	1 079	1 285	302	433
- other	2 108	1 251	759	(170)
Total financial cost	**57 793**	**30 590**	**20 064**	**10 092**

*) refers to bank loans measured at amortized cost

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4.7 Cash flows

Restricted cash	For 9 months ended	
	30.09.2022	30.09.2021
- cash frozen for loan repayment	29 498	24 928
- frozen cash - split payment	4 219	12 279
- frozen cash - social benefit fund	239	180
Total	**33 956**	**37 387**

4.8 Goodwill

As at 30 June 2022, goodwill amounts to PLN 151 m and includes the following segments and cash generating centers:

- PLN 25 m – distribution – including the companies Polenergia Dystrybucja and Polenergia Kogeneracja;
- PLN 44 m – trading and sales – including the company Polenergia Obrót;
- PLN 82 m- trading and sales – 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.

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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 9 months ended	
	30.09.2022	30.09.2021
Result of measurement of derivatives	11 384	83 970

Financial instrument category

	30.09.2022	Total
	Level 2	Total
Short term assets	2 293 390	2 293 390
Long term assets	679 082	679 082
Total	**2 972 472**	**2 972 472**
	Level 2	**Total**
Short term liabilities	2 226 519	2 226 519
Long term liabilities	663 979	663 979
Total	**2 890 498**	**2 890 498**
Net fair value	**81 974**	**81 974**

Impact on profit/loss	30.09.2022	30.09.2021
Market price increase by 1%	59	(176)
Market price decrease by 1%	(59)	176

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).

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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	
		30.09.2022	31.12.2021	30.09.2022	31.12.2021
Financial asstes					
Futures and forward contracts	Level 2	2 972 472	1 494 612	2 972 472	1 494 612
Derivative instruments	Poziom 2	271 199	134 684	271 199	134 684
Financial liabilities					
Bank loans	n/a	1 364 995	1 434 351	1 364 995	1 434 351
Derivative instruments	Level 2	456	35	456	35
Futures and froward contracts	Level 2	2 890 498	1 423 166	2 890 498	1 423 166

Security

As at 30 September 2022, the Group recognized PLN 103,927 k (30 September 2021: PLN 52,247 k) 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 30 September 2022, the Group held the following hedging instruments for hedge accounting purposes.

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Interest rate risk hedges

Maturity date of hedging instrument	Hedged value	Interest rate hedged	Instrument
29.09.2025	40 302	0,52%	IRS
29.06.2026	23 322	0,56%	IRS
26.02.2027	8 923	1,25%	IRS
26.02.2027	1 884	1,25%	IRS
29.03.2028	127 283	0,79%	IRS
15.12.2028	108 219	0,75%	IRS
22.12.2031	9 040	2,60%	IRS
12.12.2033	6 380	6,71%	IRS
12.12.2033	6 380	6,71%	IRS
13.03.2034	6 285	6,65%	IRS
30.06.2034	12 637	0,89%	IRS
11.06.2035	146 086	1,10%	IRS
10.09.2035	432 000	1,20%	IRS
31.12.2035	18 203	2,39%	IRS
11.03.2036	105 300	2,22%	IRS
Total	**1 052 244**		

Cash flow hedges

Maturity date of hedging instrument	Hedged value	Exchange rate hedged	Instrument
2022.Q4	19 731 EUR	4,8014	Forward
2023.Q1	9 473 EUR	4,8254	Forward
2023.Q2	977 EUR	4,8206	Forward
Total	**30 181 EUR**		

4.10 Trade creditors and other receivables

As at 30 September 2022 impairment losses on trade receivables deemed uncollectible increased up to PLN 17,804 k compared to PLN 16,155 k as at 31 December 2021 and are attributable mainly to the company Polenergia Fotowoltaika S.A.

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	272 372	272 372	-
Paid	(216 585)	(220 061)	3 475
Gross value as at 30.09.2022	291 851	271 399	20 451

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The payment default rates and the calculation of credit losses as at 30 September 2022 and as at 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
30.09.2022	42 321	38 256	572	855	2 638
Expected credit losses	3 178	-	-	-	3 178
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
30.09.2022	231 726	231 297	72	347	10
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 9 months ended 30.09.2022	30.09.2021
Income tax charged to the profit and loss account, including	**27 675**	**77 895**
Current tax	40 160	62 962
Deferred tax	(12 485)	14 933
Profit (Loss) before tax	**135 678**	**396 860**
Tax on gross profit at effective tax rate of 19%	25 779	75 403
Adjustments to prior years current income tax	68	(235)
Adjustments to prior years differed income tax	-	164
Current tax of limited partnerships	-	304
Differed tax of limited partnerships	-	381
Non-deductible costs:	**1 347**	**1 924**
- permanent differences	581	555
- temporary difference on which no tax asset/provision is established	766	1 369
Non-taxable income:	**481**	**(46)**
- other	481	(46)
Income tax in the profit and loss account	**27 675**	**77 895**

4.12 Changes in provisions

Change in short term and long term provisions

	30.09.2022	31.12.2021
Provisions at beginning of the period	**27 027**	**26 484**
- recognition of provisions	3 557	837
- reversal of provisions	(1 340)	(294)
Provisions at end of the period	**29 244**	**27 027**

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5. Interest bearing bank loans and borrowings

On 24 January 2022, the company Polenergia Obrót S.A. executed Annex 10 to the multifaceted credit limit agreement of 18 August 2018 with Bank Pekao S.A. The Annex maintained the maximum debt limit at PLN 300,000 k, with concurrent increase of the overdraft amount to PLN 150,000 k to be incurred by the company under the permitted indebtedness. The cap on the bank guarantees remained at PLN 260,000 k. Also, the method to calculate commitment fees on the a/m limits was changed.

On 21 March 2022 the company Polenergia Elektrociepłownia Nowa Sarzyna Sp. Z o.o. executed Annex 9 to the facility agreement of 29 July 2011 with ING Bank Śląski S.A., resulting in the increase of the credit limit up to PLN 50,000 k as of the day of executing the Annex until 30 November 2022. Thereafter, the limit shall be available in the amount of PLN 20,000 k again, until 30 June 2023. The final maturity of the entire debt under the limit falls on 31 July 2023.

On 28 July 2022 the first drawdown took place of the investment loan for Polenergia Farma Wiatrowa Piekło Sp. Z o.o. and Polenergia Farma Wiatrowa 16 Sp. Z o.o. extended to those companies for the construction of the Piekło Wind Farm under the facility agreement executed with mBank S.A. on 22 December 2021 confirming the fulfillment of the conditions precedent to drawdown.

On 5 August 2022 the first drawdown took place of the investment loan for Polenergia Farma Wiatrowa Grabowo Sp. Z o.o. extended for the construction of the Grabowo Wind Farm by a syndicate of banks comprising mBank S.A., Bank Pekao S.A. and PKO Bank Polska S.A. under the facility agreement of 22 December 2021 confirming the fulfillment of the conditions precedent to drawdown.

On 26 August 2022 Polenergia Farma Wiatrowa Rudniki Sp. Z o.o. executed an annex to the facility agreement of 12 May 2021 with mBank S.A. Said Annex extended the facility availability period and the final date of completion of construction of the project until 31 December 2022 and changed the date of the first principal payment date and the final of repayment date of the entire loan to 21 March 2037.

On 27 September 2022, Polenergia Obrót S.A. executed Annex 11 to the multifaceted credit limit agreement of 18 August 2018 with Bank Pekao S.A. As a result of the execution of the Annex, the term of availability was extended until 30 September 2023 and the amended and consolidated wording of the agreement was adopted.

On 28 September 2022 Polenergia Farma Wiatrowa 3 Sp. Z o.o. executed an annex to the loan agreement with the syndicate of banks comprising mBank S.A., ING Bank Śląski S.A., Santander Bank Polska S.A., EBRD dated 10 July 2020. As a result of said Annex, the final date of completion of the project was extended until 31 December 2022.

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 and 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 9-month period ended on 30 September 2022.

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

Guarantees and sureties granted

In the 9-month period ended 30 September 2022, the Group granted no third-party guarantees.

Guarantees and sureties received

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 6,093.7 k and shall expire on 30 April 2023.

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 112.1 k subject to the reduction down to PLN 33.6 k 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 112.1 k subject to the reduction down to PLN 33.6 k 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 2,889.3 k with expiration date of 31 August 2023 and PLN 1,444.6 k for defects and faults with expiration date of 31 August 2008.

On 3 April 2022, in view of the expiration of the contract for the construction of a PV farm – the Sulechów III project, the performance bond issued by InterRisk TU S.A. to order of P&Q Sp. Z o.o. to Polenergia Farma Wiatrowa Grabowo Sp. Z o.o. expired.

On 22 May 2022, in view of the expiration of the contract for the construction of a PV farm – the Buk project, the performance bond issued by GENERALI TU S.A. to order of ONDE S.A. to Polenergia Farma Wiatrowa Rudniki Sp. Z o.o. expired.

On 30 May 2022, in view of the expiration of the contract for the construction of a PV farm – the Sulechów II project, the performance bond issued by ING Bank Śląski S.A. to order of P&Q Sp. Z o.o.to the company Polenergia Farma Wiatrowa 17 Sp. Z o.o. expired.

On 30 June 2022, the guarantee issued to order of PGNiG Obrót Detaliczny Sp. Z o.o. by Bank Gospodarstwa Krajowego to the company Polenergia Kogeneracja Sp. Z o.o. expired. The guarantee was replaced with a security deposit.

On 30 June 2022 the surety issued by ENEA S.A. for the liabilities of ENEA Trading Sp. Z o.o. to Polenergia Obrót S.A on account of a commercial contract entered into by these companies expired.

On 6 July 2022 HSBC acting to order of WSP Polska Sp. Z o.o. issued a performance bond to Polenergia Farma Wiatrowa Grabowo Sp. Z o.o. in connection with the construction of the Grabowo Wind Farm in the amount of PLN 246 k and validity expiring on 30 June 2025.

On 31 July 2022, the guarantee issued by Vitol Holding B.V. on behalf of Vitol Gas and Power B.V. to Polenergia Obrót S.A. to secure liabilities under the signed commercial contracts expired.

On 15 September 2022 the performance bond issued by PKO BP S.A. JAREX Sp. Z o.o. to the company Polenergia Farma Wiatrowa 3 Sp. Z o.o. in connection with the construction of the Dębsk Wind Farm expired. The Company did not request an extension of the performance bond, even though the construction was still in progress, as all the works performed by JAREX were completed.

On 28 September 2022 Polenergia Farma Wiatrowa 3 Sp. Z o.o. executed an annex to the loan agreement with the syndicate of banks comprising MBANK S.A., ING Bank Śląski S.A., Santander Bank Polska S.A., EBRD dated 10 July 2020. As a result of said Annex, the final date of completion of the project was extended until 31 December 2022.

On 30 September 2022, in view of the expiration of the contract for the construction of a wind farm, the performance bond issued to order ONDE S.A. by TU ERGO HESTIA S.A. to Polenergia Farma Wiatrowa Dębice/Kostomłoty Sp. Z o.o. expired.

As at 30 September 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 6,097.3 k.

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

Amon Sp. Z o.o. and Talia Sp. Z o.o.- each Company acting separately filed a claim for rendering ineffective the statements of termination by Polska Energia – Pierwsza Kompania Handlowa Sp. Z o.o. (a company operating in the Tauron Group) of the contracts for the sale of property rights incorporated in certificates of origin for electricity generated in renewable energy sources – wind farms located in Łukaszów (Amon) and Modlikowice (Talia) and the agreements on sale of electricity generated in the a/m wind farms. The partial and preliminary judgments were favorable for both Companies in that their claims were allowed in that part which referred to the rendering of the statements of termination of the challenged contracts by the company Polska Energia – Pierwsza Kompania Handlowa Sp. Z o.o. ineffective. The judgments have been appealed against. On 20 December 2021 the Court of Appeal in Gdańsk issued a judgment in the case instituted by Talia against Polska Energia – Pierwsza Kompania Handlowa Sp. Z o.o. in which the entire appeal filed by that company was dismissed. On 16 August 2022, Polska Energia – Pierwsza Kompania Handlowa Sp. Z o.o filed a cassation complaint. Amon is awaiting the decision of the Court of Appeal.

Amon Sp. Z o.o. and Talia Sp. Z o.o. filed their claims for damages against Tauron Polska Energia S.A. The grounds for the liability in tort of Tauron is the cessation of the performance by Polska Energia – Pierwsza Kompania Handlowa Sp. Z o.o., a subsidiary of Tauron, of long-term contracts for the sale of electricity generated in renewable sources and long-term contracts for the sale of property rights under the certificates of origin confirming that energy has been generated in renewable sources, entered into with the companies Amon and Talia. Presently, witness statements are given – orally during the hearings before the District Court in Katowice and in writing.

On 4 January 2021 the Court of Appeals in Gdańsk delivered to Polenergia Dystrybucja Sp. Z o.o. the cassation complaint of one of the energy suppliers against the judgment of the Court of Appeals in Gdańsk dated 7 November 2019 that dismissed the appeal of such supplier in the case for the recovery of the overpayment for energy supplied and the ordered the energy supplier to pay PLN 548 k to the company, of which the unchallenged part has already been paid. The claimant filed the cassation complaint to the Supreme Court.

The companies Certyfikaty Sp. z o.o., Polenergia Obrót S.A. and Polenergia Usługi Sp. z o.o. have been sued by Eolos Polska Sp. z o.o. before the District Court in Warsaw Commercial Division XX for payment of liquidated damages on account of termination of the contracts for the sale of property rights incorporated in the certificates of origin of electrical energy generated in renewable energy sources and for payment of the amounts due on account of the balancing costs. The most recent trail was held on 24 March 2021 in the form of the online hearing of the parties. The Court decided to continue the evidentiary hearing procedure, including the appointment of a court expert in the case. The hearing will be scheduled ex officio.

On 13 July 2021 Polenergia Farma Wiatrowa 1 Sp. z o.o. received an action for payment of damages for using real properties without a valid contract. The claimants demand payment because the access road to one of the wind turbines is now located on the real property they hold the title to, following the court's decision on the delimitation of the real property. Formerly, the property was owned by another lessor. The reply was sent. The Court appointed an expert in the case to establish the value of the real property.

On 4 July 2022 and subsequently on 7 July 2022 Polenergia Obrót S.A. received lawsuits from its former employee for payment of damages under the competition ban following termination of employment. The total amount of the claim is slightly below PLN 90 k. Polenergia Obrót filed its statement of defense, in which an option to settle has been considered. The case was referred to court mediation.

Polenergia Obrót S.A. had contracts for the sale of energy with Jeronimo Martins Polska S.A. ("JMP") which were terminated by Polenergia Obrót S.A. effective as of 30 June 2022. In view of the termination of the contracts in question, JMP served upon Polenergia Obrót S.A. requests for payment of PLN 3,501 k and PLN 36,027 k, i.e. in aggregate PLN 39,528 k. The claims raised by JMP refer to the periods falling after the date the sale contracts ceased to be effective, therefore Polenergia Obrót S.A. deems them groundless. By the same token, Polenergia Obrót S.A. deems the statement by JMP of a set-off of the amounts of the claims against the receivables of Polenergia Obrót S.A. from JMP ineffective.

Polenergia Obrót S.A. had 59 contracts for the sale of electricity from renewable energy sources, concluded with the generating companies from the RES Operations group. These contracts expired on 30 September 2022 as their terms came to an end. Polenergia Obrót S.A. has raised claims against the generating companies. They relate to the situation on the electricity market, which in the opinion of Polenergia Obrót S.A. fulfills the premises for an extraordinary change in relations and also caused a contractual imbalance. Polenergia Obrót S.A. demands that settlement of the contracts be made in court. The disputed amount is ca. PLN 20 m. It has been derived as the value of the amendment to 59 contracts for the sale of electricity pursued by Polenergia Obrót S.A. in the proceedings.

The same applies to 8 contracts for the sale of electricity from renewable energy sources entered into with the R. Power Group generating companies, except that the term of such contracts expires on 31 December 2023. The value of claims pursued in court calculated in the same way as for the companies from the RES Operations group, related to settlement and amendment of 8 contracts for the sale of electricity amounts to ca. PLN 14 million.

Polenergia Dystrybucja manages the collection proceedings in relation to non-payment for the electrical energy supplied. The aggregate claims amount is currently ca. PLN 500 k.

On 6 December 2021, the President of the Antimonopoly Office (UOKIK) instituted investigation with respect to the company Polenergia Fotowoltaika S.A. with registered office in Warsaw ("Company") aiming at a preliminary determination whether, as a result of the activities concerning the provision of services in terms of the sale and assembly of photovoltaic systems performed by the Company, there occurred any breach that would give rise to instituting the proceedings in the case for considering the sample contract prohibited or any breach of the consumers' interests enjoying legal protection that would give rise to instituting the proceedings in the case for any practices infringing upon the collective interests of consumers.

The Company provided UOKiK with the documents and information referred to in the request. On 28 June 2022 the Company received another request from UOKiK to submit additional information and documents. The Company provided UOKiK with the documents and information referred to in the request.

The investigation by UOKiK may lead to: 1) no continuation of the proceedings; 2) discontinuation of the proceedings as unfounded; 3) instituting the proper proceedings in the case for considering the sample contract prohibited or any practices infringing upon the collective interests of consumers.

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 30 September 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, Mycielin, Krzęcin, Szymankowo, Dębice/Kostomłoty and Dębsk,
- prices of electricity and green certificates,
- final wording of the regulations affecting the Issuer's business,
- potential price volatility of CO_2 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 30 September 2022 and 31 December 2021, in terms of undiscounted contractual payments.

30.09.2022	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	59 609	230 576	714 222	735 308	**1 739 715**
Other liabilities	2 335 805	6	665 663	-	**3 001 474**
Liabilities for deliveries and sevices	186 365	3	-	-	**186 368**
Lease liabilities	5 010	16 252	84 246	293 166	**398 674**

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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 sevices	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 9-month period ended on 30 September 2022 include:

30.09.2022	Revenues	Receivables
MFW Bałtyk I S.A.	1 581	1 581
MFW Bałtyk I Sp. z o.o.	14	10
MFW Bałtyk II Sp. z o.o.	2 444	2 358
MFW Bałtyk III Sp. z o.o.	2 462	2 344
Total	**6 487**	**6 283**

The following significant transactions with associates with personal relations took place in, the 9-month period ended on 30 September 2022:

30.09.2022	Revenues	Costs	Receivables	Libilities
KI One S.A.	-	105	-	-
Krucza Inwestycje KREH 1 Sp. z o.o. S.K.	165	3 591	15	-
Autostrada Eksploatacja S.A.	4 018	-	719	-
Beyond.pl Sp. z o.o.	2 288	450	544	21
Ciech Sarzyna S.A.	13 547	348	3 738	39
Ciech Pianki Sp. z o.o.	649	-	144	-
Ciech Vitrosilicon S.A.	8 446	-	2 823	-
Ciech Soda Polska S.A.	105 500	-	36 025	-
Ciech Vitro Sp. z o.o.	21	6	3	6
Euro Invest Sp. z o.o.	388	-	39	-
Total	**135 022**	**4 500**	**44 050**	**66**

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 23 November 2022, no events occurred which would not have been disclosed in the accounting books of the reporting period

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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)	9M 2022	9M 2021	Difference
Sales revenues	5 143,1	1 932,5	3 210,6
EBITDA	244,3	282,3	(38,0)
Adjusted EBITDA with the elimination of the effect of purchase price allocation	244,3	282,3	(38,0)
Net profit (loss)	108,0	321,7	(213,7)
Adjusted net profit with the elimination of the effect of purchase price allocation, unrealized f/x differences, impairment losses, loans valuation and net gain/loss on disposal of assets	107,7	148,8	(41,0)

The year-on-year performance changes in the three quarters of 2022 were driven by the following factors:

a) On the level of EBITDA (a drop by PLN 38.0 m):

- The improved result of the onshore wind farm segment (by PLN 117.5 m has mainly been the consequence of the bringing into operation of the Szymankowo Wind Farm in the 2nd half of 2021, higher generation volume in other wind farms in operation (higher windiness) and higher electricity sales prices at the segmental level, as well as the commencement of the startup phase in the Dębsk and Kostomłoty wind farms, partly offset by slightly higher operating costs in wind farms compared to the corresponding period of the preceding year.
- Better performance of the photovoltaics segment (by PLN 10,0 m) due to the start-up at the end of March 2022, followed by the bringing into operation, in June and July of 2022, of new facilities - Sulechów II (11.7 MW) and Sulechów III (9.8 MW), the start-up of the Buk I project (6.4 MW) in September 2022 and better performance of Sulechów I (revenues higher by 94% compared to the corresponding period of the preceding year);
- Lower performance in the gas and clean fuels segment (by PLN 103.4 m) as a result of: (i) lower result on the ENS operation optimization, (ii) lower margin on sales of thermal power in view of higher prices of gas and CO_2 emission allowances, and (iii) no revenues from the compensation scheme (additional revenues in 2021 amounting to PLN 21.4 m) and (iv) lower capacity market revenues;
- Lower result (by PLN 57.0 m) in the trading and sales segment due to: i) lower margin on the business lines of the RES aggregation and energy trading from the RES assets, as a result of a significant increase of the profile cost and the volume variance of asset generation on the sales hedging position, ii) lower result on the ENS operation optimization (there being no favorable market conditions), which had previously enhanced the result in the corresponding period of 2021, iii) higher operating expenses resulting from the expansion of operations. The drop in Q3 - and the enhancement of the YTD result - was additionally impacted by the result on the sale of energy due to the volume variance of energy supplies and the increased clients' profile cost. The drop of the result in the trading and sales segment has partly been offset by: i) higher margin on the trading portfolio and business service due to the implementation of a short-term strategy and the making the most of the price volatility on the markets, ii) better result on the proprietary trading in the energy and gas markets, (iii) higher margin on the remaining activities, mainly including the sales of solar panels and heat pumps.
- Better performance (by PLN 8.2 m) 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 the costs incurred for the implementation of the electro-mobility pilot project;

- Lower result (by PLN 13.2 m) in Unallocated item, has mainly been the effect of higher Headquarters costs resulting from the Group's development, increased advisory costs related to the investment projects in progress, increasing inflation and the VAT structure settlement for 2021.

b) On the level of adjusted EBITDA (a drop by PLN 38.0 m):

- The EBITDA effect described above (lower result by PLN 38.0 m);

c) On the level of Net Profit (a drop by PLN 213.7 m):

- The EBITDA effect (lower result by PLN 38.0 m);
- Higher depreciation (by PLN 12.5 m) resulting predominantly from the bringing into operation of fixed assets in the wind farm and distribution segments and the acquisition of Polenergia Fotowoltaika, partly offset by the lower depreciation in the gas and clean fuels segment (lower depreciation rate due to extended depreciation period for repairs works, abandoning operation) and end of depreciation of the asset on account of gas compensation and stranded costs recognized in the Purchase Price Allocation, plus the commenced depreciation of the asset recognized in the Purchase Price Allocation of Polenergia Fotowoltaika (former Edison Energia).
- Lower costs related to the sale of assets (by PLN 13.9m) generated by advisory services related to the receipt of earn-out payments resulting from the sale of shares in the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. in 2021
- Higher impairment losses by PLN 0,1m.

All the abovementioned factors contributed to the drop of the operating profit by PLN 36.6 m.

- Lower financial income (by PLN 197.3 m) mainly as an effect of the earn-out of PLN 225.8 m on account of the sale of shares in the MFW Bałtyk II and MFW Bałtyk III projects which took place in 2018 (income recognized in 2021) party offset by the increased interest on deposits and loans (by PLN 28.1 m) and foreign exchange gains (by PLN 0.2 m).
- Higher financial expenses (by PLN 27.2 m) resulting mainly from higher interest expenses (PLN 23.1 m), higher commissions and other bank fees (by PLN 2.8 m) and higher foreign exchange losses (by PLN 0.6 m);
- Lower income tax (by PLN 50.2 m) due to lower profit before tax of the Group in 2022 (higher operating profit offset by lower level of financial income).
- Lower result on the abandoned business (by 2.7m) due to the sale of Mercury Power Plant in 2021.

d) On the level of adjusted net profit (drop by PLN 41.0 m):

- The effect of the net profit (drop by PLN 213.7 m);
- Elimination of the net gain/loss on the sale of assets (increase by PLN 174.9 m)
- Reversal of the foreign exchange differences effect (drop by PLN 3.6 m)
- Elimination of the purchase price allocation effect (increase by PLN 1.6 m);
- Reversal of the impairment losses effect (increase by PLN 0.1m);
- Elimination of the loan measurement effect using the amortized cost method (drop by PLN 0.3 m).

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 Otwarty Fundusz Emerytalny	3 767 231	3 767 231	5,64%
4	Aviva OFE Aviva Santander	5 533 000	5 533 000	8,28%
5	Others	7 567 055	7 567 055	11,33%
	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.

The change in ownership structure of the Issuer's shareholdings in the period since the submission of the previous quarterly report has been described in section A.2. hereof.

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.

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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.

On 29 August 2022, the company Polenergia Farma Fotowoltaiczna 11 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 2 November 2022, a split of the company Polenergia Farma Wiatrowa Grabowo sp. z o.o. took place by way of a transfer of part of its assets to the company Polenergia Farma Fotowoltaiczna 9 sp. z o.o. (division by a spin-off) under Art. 529 sec. 1 item 4 of the Commercial Companies Code.

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

INTERIM CONDENSED STANDALONE BALANCE SHEET
as at 30 September 2022

ASSETS

	30.09.2022	31.12.2021
I. Non-current assets	**1 873 753**	**1 516 502**
Tangible fixed assets	17 631	8 676
Intangible assets	240	124
Financial assets	1 852 767	1 504 264
Deferred income tax assets	3 115	3 438
II. Current assets	**625 490**	**185 551**
Trade receivables	18 766	23 955
Income tax receivable	-	4 051
Other short term receivables	2 371	285
Prepayments and accrued income	2 709	6 013
Short term financial assets	357 466	-
Cash and equivalent	244 178	151 247
Total assets	**2 499 243**	**1 702 053**

EQUITY AND LIABILITIES

	30.09.2022	31.12.2021
I. Shareholders' equity	**2 462 625**	**1 414 866**
Share capital	133 604	90 887
Share premium account	1 515 570	557 611
Reserve capital from option measurement	13 207	13 207
Other capital reserves	690 205	449 121
Capital from merger	89 782	89 782
Retained profit (loss)	(26 826)	(26 826)
Net profit /(loss)	47 083	241 084
II. Long term liabilities	**13 331**	**6 290**
Provisions	432	432
Lease liabilities	12 899	5 858
III. Short term liabilities	**23 287**	**280 897**
Bank loans and borrowings	-	249 687
Trade payables	877	2 031
Lease liabilities	5 151	2 463
Other liabilities	4 461	12 856
Provisions	3 019	2 094
Accruals and deferred income	9 779	11 766
Total equity and liabilities	**2 499 243**	**1 702 053**

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INTERIM CONDENSED STANDALONE PROFIT AND LOSS ACCOUNT
for the 9-month period ended on 30 September 2022

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Revenues from contracts with clients	19 328	14 805	7 306	5 161
Sales revenues	**19 328**	**14 805**	**7 306**	**5 161**
Cost of goods sold	(17 852)	(13 428)	(6 770)	(4 572)
Gross sales profit	**1 476**	**1 377**	**536**	**589**
Other operating revenues	47	111	47	-
General overheads	(27 533)	(28 453)	(8 456)	(18 862)
Other operating expenses	(1 405)	(2)	(375)	(1)
Financial income	80 377	257 558	17 632	6 546
including dividend	46 524	24 101	-	4 101
Financial costs	(5 584)	(1 420)	(1 143)	(793)
Proft before tax	**47 378**	**229 171**	**8 241**	**(12 521)**
Income tax	(295)	(39 752)	(1 680)	3 093
Net profit	**47 083**	**189 419**	**6 561**	**(9 428)**

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME
for the 9-month period ended on 30 September 2022

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Zysk netto za okres	**47 083**	**189 419**	**6 561**	**(9 428)**
Inne całkowite dochody, które mogą zostać przekwalifikowane do rachunku zysków i strat po spełnieniu określonych warunków				
CAŁKOWITE DOCHODY ZA OKRES	**47 083**	**189 419**	**6 561**	**(9 428)**

Consolidated Quarterly Report for Q3 2022 ended on 30 September 2022 (PLN k)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 9-month period ended on 30 September 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**	**214 258**	**-**	**1 414 866**
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	47 083	47 083
Transactions with owners of the parent recognized directly in equity								
Issue of shares	42 717	957 959	-	-	-	-	-	1 000 676
Allocation of profit/loss	-	-	-	241 084	-	(241 084)	-	-
As at 30 September 2022	**133 604**	**1 515 570**	**13 207**	**690 205**	**89 782**	**(26 826)**	**47 083**	**2 462 625**

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 9-month period ended on 30 September 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	-	-	-	-	-	-	189 420	189 420
Transactions with owners of the parent recognized directly in equity								
Allocation of profit/loss	-	-	-	56 102	-	(56 102)	-	-
As at 30 September 2021	**90 887**	**557 611**	**13 207**	**449 121**	**89 782**	**(26 826)**	**189 420**	**1 363 202**

Consolidated Quarterly Report for Q3 2022 ended on 30 September 2022 (PLN k)

INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS
for the 9-month period ended on 30 September 2022

	For 9 months ended	
	30.09.2022	30.09.2021
A.Cash flow from operating activities		
I.Profit (loss) before tax	**47 378**	**229 171**
II.Total adjustments	**(57 399)**	**(274 055)**
Depreciation	2 808	1 787
Foreign exchange losses (gains)	(1)	2
Interest and profit shares (dividends)	(55 629)	(26 275)
Losses (gains) on investing activities	(542)	(226 640)
Income tax	4 079	(39 183)
Changes in provisions	925	642
Changes in receivables	3 103	1 580
Changes in short term liabilities, excluding bank loans and borrowings	(10 590)	12 978
Changes in accruals	(1 552)	1 054
Other adjustments	-	-
III.Net cash flows from operating activities (I+/-II)	**(10 021)**	**(44 884)**
B.Cash flows from investing activities		
I. Cash in	**50 348**	**339 833**
1. Dipsosal of intangibles and tangible fixed asstes	35	52
2. From financial assets, including:	50 313	339 781
- disposal of financial asstes	-	227 375
- dividends and shares in profits	46 524	24 101
- repayment of loans given	3 000	86 216
- interest	789	1 832
- other inflows from financial assets	-	257
II.Cash out	**694 972**	**118 609**
1. Acquisition of intangible and tangible fixed assets	2 097	1 952
2. For financial assets, including:	692 875	116 657
- acquisition of financial assets	164 078	116 657
- loans given	528 797	-
III.Net cash flows from investing activities (I-II)	**(644 624)**	**221 224**
C.Cash flows from financing activities		
I.Cash in	**1 003 859**	**-**
1. Net proceeds from the issue of shares and other equity instruments, and capital	1 003 859	-
II.Cash out	**256 284**	**1 712**
1.Repayment of loans and borrowings	250 000	-
2.Lease payables	2 460	1 422
3.Interest	3 824	290
III.Net cash flows from financing activities (I-II)	**747 575**	**(1 712)**
D.Total net cash flows (A.III+/-B.III+/-C.III)	**92 930**	**174 628**
E.Increase/decrease in cash in the balance sheet, including:	**92 931**	**174 626**
- change in cash due to f/x differences	**1**	**(2)**
F.Cash at the beginning of period	**151 247**	**124 630**
G.Cash at the and of period, including:	**244 178**	**299 256**
- restricted cash	185	125

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COST ACCORDING TO TYPE

	For 9 months ended 30.09.2022	30.09.2021
- depreciation	2 808	1 787
- materials and power consumption	958	418
- third party services	13 451	21 616
- taxes, duties and fees	1 946	(92)
- salaries	23 041	15 972
- social security and other benefits	3 161	2 163
- other cost by type	20	17
Total cost by type	**45 385**	**41 881**
- general overheads (-)	(27 533)	(28 453)
Total cost of goods sold	**17 852**	**13 428**

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