<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 2023

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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 2023

Within the 9-month period ended on 30 September 2023, the results of Polenergia Group (the “Group”) in terms of the adjusted EBITDA and net profit amounted to PLN 419.8 m and PLN 213.7 m, respectively, which means a YOY growth by PLN 175.4 m and PLN 105.9 m, respectively.

	Polenergia Group Income Statement (PLN m)	9M 2023	9M 2022	Difference YOY	Difference YOY [%]	Q3 2023	Q3 2022	Difference YOY	Difference YOY [%]
	Sales revenues, including:	**4 079,5**	**5 143,1**	**(1 063,6)**	**-21%**	**1 241,4**	**1 330,2**	**(88,8)**	**-7%**
	trading and sales segment	3 368,0	4 604,1	(1 236,2)		1 026,2	1 148,5	(122,3)	
	other	711,5	539,0	172,5		215,2	181,7	33,5	
	Cost of goods sold, including:	**(3 588,4)**	**(4 809,5)**	**1 221,1**	**-25%**	**(1 104,2)**	**(1 265,1)**	**160,9**	**-13%**
	trading and sales segment	(3 152,3)	(4 493,1)	1 340,8		(960,8)	(1 144,8)	184,0	
	other	(436,1)	(316,4)	(119,7)		(143,4)	(120,3)	(23,1)	
	Gross profit on sales	**491,1**	**333,6**	**157,5**	**47%**	**137,3**	**65,1**	**72,1**	**111%**
	Selling expenses and general overheads	(187,8)	(170,4)	(17,4)	10%	(63,8)	(62,2)	(1,6)	3%
	Other operating revenue/expense	4,5	0,1	4,5	7423%	2,1	0,5	1,7	352%
	Auction price settlement	(6,9)	0,0	(6,9)		(6,2)	0,0	(6,2)	
A	**Operating profit (EBIT)**	**301,0**	**163,3**	**137,7**	**84%**	**69,4**	**3,4**	**66,0**	**1967%**
	Depreciation/Amortization	118,7	80,8	37,9		41,6	29,6	12,0	
	Impairment losses	0,1	0,3	(0,2)		-	0,1	(0,1)	
	EBITDA	**419,8**	**244,3**	**175,4**	**72%**	**110,9**	**33,0**	**77,9**	**236%**
	Normalizing adjustments:	-	-	-		-	-	-	
	Adjusted EBITDA*	**419,8**	**244,3**	**175,4**	**72%**	**110,9**	**33,0**	**77,9**	**236%**
B	Financial income	32,5	30,2	2,3		9,5	13,5	(4,1)	
C	Financial costs	(71,5)	(57,8)	(13,7)		(26,3)	(20,1)	(6,2)	
A+B+C	**Gross profit (loss)**	**261,9**	**135,7**	**126,2**	**93%**	**52,6**	**(3,2)**	**55,7**	**1764%**
	Income tax	(53,1)	(27,7)	(25,4)	92%	(11,1)	0,4	(11,5)	3037%
	Net profit (loss)	**208,8**	**108,0**	**100,8**	**93%**	**41,5**	**(2,8)**	**44,3**	**1594%**
	Normalizing adjustments:								
	Purchase price allocation (PPA)	2,1	2,1	-		0,7	2,0	(1,3)	
	Foreign exchange differences	0,2	(3,3)	3,6		0,7	(10,7)	11,4	
	Loan valuation using the amortized cost method	2,5	0,7	1,8		1,0	0,1	0,9	
	Impairment losses **	0,1	0,3	(0,2)		-	0,1	(0,1)	
	Adjusted net profit (loss)*	**213,7**	**107,7**	**105,9**	**98,3%**	**43,9**	**(11,3)**	**55,2**	**488%**
	Adjusted EBITDA*	**419,8**	**244,3**	**175,4**	**72%**	**110,9**	**33,0**	**77,9**	**236%**
	Adjusted EBITDA Margin*	10,3%	4,8%	5,5%		8,9%	2,5%	6,5%	
	Adjusted EBITDA (excl. trading segment)	**323,0**	**258,1**	**64,9**	**25%**	**84,5**	**74,3**	**10,2**	**14%**
	Adjusted EBITDA margin (excl. trading segment)	45,4%	47,9%	-2,5%		39,3%	40,9%	-1,7%	

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

**) Reversal of the impairment losses connected with projects development

The sales revenues of Polenergia Group for the three quarters of 2023 were lower by PLN 1,063.6 m, mainly due to lower revenues in the trading and sales segment (by PLN 1,236.2 m) partly offset by higher revenues in the wind power segment (by PLN 111.5 m), gas and clean fuels segment (by PLN 31.5 m) and distribution segment (by PLN 21.3 m).

The adjusted EBITDA result in the discussed period amounted to PLN 419.8 m and was higher by PLN 175.4 m YOY mainly due to better performance of the trading and sales segment (by PLN 110.5 m) being mainly the effect of the better results on: RES assets originating energy sales, RES aggregation, electricity trading and business service, the ENS contract service taking advantage of the short-term CSS variations and on other business including mainly the sales of solar panels and heat pumps. Higher adjusted YOY EBITDA result was also reported in the wind farm segment (by PLN 80.3 m) which was mainly been due to the commencement of generation in the Dębsk, Kostomłoty, Grabowo and Piekło wind farms, as well as the higher electricity and green certificates prices compared to those in 2022 (when the prices resulted from the prior years' hedging transactions). This result has been partly offset by lower performance in in the distribution segment (by PLN 6.5), and the unallocated segment (by PLN 8.8 m).

In the third quarter of 2023 sales revenues of Polenergia Group dropped by PLN 88.8 m year on year, due to lower revenues in the trading and sales segment (by PLN 122.3 m) partly offset by higher revenues in the onshore wind farm segment (by PLN 28.3 m) and the distribution segment (by PLN 5.4 m).

The adjusted EBITDA result in Q3 2023 amounted to PLN 110.9 m and was higher by PLN 77.9 m YOY.

This was mainly due to better results in the trading and sales segment (by PLN 67.7 m) primarily as a result of better performance in: RES assets -originating energy trading, RES aggregation, electricity trading and business service, energy sales mainly related to realization of higher margins on the supply contract portfolio, and in the onshore wind farm segment (by PLN 13.4 m) mainly as a result of the commencement of generation in the Grabowo and Piekło wind farms and higher electricity and green certificate sales prices compared to those in 2022 (when the prices resulted from the prior years' hedging transactions).

2. Detailed commentary regarding the financial performance for the 9-month period ended on 30 September 2023 and other significant information on the Group's standing.

In the 9-month period of 2023, the onshore wind power segment recorded higher EBITDA by PLN 80.3 m year on year, while in the third quarter alone, EBITDA increased by PLN 13.4 m compared to the the result corresponding period of 2022. The improved performance of that segment in the 9-month period of 2023 year on year has mainly been due to the commencement of generation in the Dębsk, Kostomłoty, Grabowo and Piekło wind farms and higher sales prices of electricity and green certificates compared to those in 2022 (when the prices resulted from the prior years' hedging transactions). The above was partly offset by lower generation volume of the farms in operation in Q3 2022 and higher operating costs of the wind farms.

The gas and clean fuels segment achieved the EBITDA in the first three quarters of 2023 and in the third quarter of 2023 alone higher EBITDA result by 1.1 mPLN due to higher margin on heat sales reduced partly by lower result due to END optimisation and higher fixed costs.

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 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. As at 30 September 2023, all forward transactions hedging the margin on generation and sales of ENS in 2023 have been reversed.

The trading and sales segment after three quarters of 2023 experienced a growth of the EBITDA result by PLN 110.5 m relative to the corresponding period of the preceding year. The growth of the result was driven by: i) better result on the RES assets originating energy trading due to higher electricity sales prices and smaller impact of the wind profile costs (compared to the hedged sales price) and higher volume due to the expansion of the generating projects portfolio, ii) better result on the RES aggregation mainly due to the end of performance under contracts with negative margin in 2022 (resulting from dynamic price fluctuations in the electrical energy market), (iii) better result on electricity trading and business service related to the use of price volatility mainly in energy markets, (iv) better result on the ENS contract service using short-term CSS variations, v) better result on other operations, including mainly the sales of solar panels and heat pumps. Better result after three quarters of 2023 has been partly offset by: i) lower result on electricity sales mainly related to the recognition of a one-off impact of the measurement of forward transactions last year, ii) lower margin on prop trading, iii) higher operating expenses resulting from the upscaling of operations. In the third quarter alone the trading and sales segment reported a growth of its EBITDA result by PLN 67.7 m relative to the corresponding period of the preceding year. The growth of the result in Q3 2023 was driven by: i) better result on the RES assets originating energy trading due to higher electricity sales prices and smaller impact of the wind profile costs (compared to the hedged sales price) and higher volume due to the expansion of the generating projects portfolio, ii) better result on the RES aggregation mainly due to the end of performance under contracts with negative margin in 2022 (resulting from dynamic price fluctuations in the electrical energy market), (iii) better result on electricity trading and business service mainly related to the distribution of the result realized throughout the year, (iv) better result on energy sales mainly related to the realization of higher margins on the supply contract portfolio. The better result in Q3 2023 has been partly offset by: (i) lower result on trading in green certificates from wind assets due to a drop in market prices, ii) lower margin on prop trading, iii) higher operating expenses resulting from the upscaling of operations.

The EBITDA of the distribution segment for the 9 month period of 2023 was lower by PLN 6.5 m year on year. The drop in the result has mainly been the consequence of the lower unit margin on energy sales in the first half of the year, lower margin on electricity distribution (mainly due to the delay in updating the distribution tariff) and higher operating expenses from the upscaling of business. The negative result was partly offset by higher revenues from connection fees. In the third quarter alone, the distribution segment's EBITDA result was at a similar level compared to the corresponding period last year. Higher margin on electricity distribution as a result of the new distribution tariff coming into effect on 13 May 2023, has been offset by, without limitation, a lower margin on electricity sales due to lower sales volumes, higher operating expenses related to the upscaling of business and costs incurred for the development of electromobility projects.

The EBITDA result in the PV segment for the 9-month period of 2023 was lower by PLN 1.2 m relative to the corresponding period of 2022 (while in Q3 2023 it was lower by PLN 0.03 m relative to the result in Q3 2022) mainly due to lower effective electricity sales prices compared to the corresponding period of the preceding year, higher total operating cost of the farms in operation and higher capital expenditures in projects under development. This effect is partly offset by higher total production from the Sulechów I, II and III photovoltaic farm portfolios in the 9-month period of 2023 and the commencement of operation of the Buk photovoltaic farm portfolio (6.4 MW) in September 2022.

The result under the Unallocated item in the period since January until September 2023 was lower by PLN 8.8 m compared to the corresponding period of 2022 (and lower by PLN 4.3 in Q3 alone). The change of the 2023 EBITDA result was driven mainly by higher operating expenses (third party services and payroll) at Headquarters resulting from the upscaling of business, partly offset by lower tax cost under the VAT structure in 2023.

The result on financing operations in January-September 2023 was lower than one in the corresponding period of the preceding year by PLN 11.5 m (in the third quarter it was lower by PLN 10.3 m), which was mainly due to higher interest expenses (by PLN 15.1 m) partly offset by higher interest gains on deposits (by PLN 1.4 m).

The higher income tax level in 2023 results from the better income of the Group before tax.

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 factors that may potentially impact the business and financial performance of Polenergia Group have been being monitored and identified on an ongoing basis.

Despite the ongoing war in Ukraine, the situation in commodity markets gradually calmed down in the third quarter of 2023, reducing price volatility in commodity markets as well as electricity, natural gas and CO_2 emission allowances. The launch of alternative supplies of raw materials, regulations in place that limit the amount of energy and gas prices, as well as the drop in energy and gas consumption in most European countries and the high generation of energy from RES caused the continuation of the declining trend in the markets. Nonetheless, the risk of shortages and another wave of commodity price surge continues to be a threat in approaching winter period, potential sabotage activities targeting European energy infrastructure and the growing conflict in the Middle East.

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 continued high costs related to the hedging of transactions concluded in commodity markets. There is also a real risk of extending the end-user price freeze regulation into 2024. Delaying the implementation of changes to the balancing market until 14 June 2024 will positively affect the possible risk of increased balancing and profile costs concerning RES sources.

In a short- and medium-term perspective, the regulatory steps involving price freeze and price caps have adverse impact on the level of profit generated by the Company. At the same time, the regulatory pursuit to stabilize energy prices has had a short-term positive impact on the volatility and stabilization of the required level of hedging of transactions concluded in the commodity markets.

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 caused by the outbreak of war in Ukraine. The margin on electricity production in 2023 is not jeopardized by the earlier reversal of contracts for the sale of electricity and the purchase of gas and CO_2 emission allowances. The gas supplies related to the heat production contracts have already been hedged (in terms of volume and fixed price) for the years 2023 and 2024. 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. At the Elektrociepłownia Nowa Sarzyna, the main control system was replaced in 2019, security against possible cyber-attack was enhanced in 2022 and all remote equipment diagnostic systems were disconnected from the Internet.

In the wind power segment, high volatility of energy prices, combined with periods of variable windiness, may result in a very significant increase in profile cost, which reduces the achieved effective price of electricity sold. It should also be noted that the dynamic increase in electricity prices and, at the same time, the price of PMOZE_A ("green certificates") prompted the lawmaker to reduce the redemption obligation for certificates of origin from 18.5% in 2022 to 12% in 2023, and according to the present regulation governing this obligation published by the Ministry of Climate and Environment – down to 5% for 2024. The above decision caused a significant drop in the market price of green certificates, which is mainly due to the excessive reduction in the redemption obligation for PMOZE_A, being stronger than the rate of exit of old renewable energy projects from the certificate system.

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. Currently, all operational activity in Ukraine has been put on hold. The Group has identified increased risk of trading in all markets, which is driven, among others, by the risk of recurring increased volatility of electricity and natural gas prices, the risk of failure to meet the demand volume by the customers, the risk of non-payment and non-performance of contracts in view of the dynamic regulatory changes and the increased risk of insolvency of customers. If the risk of dynamic price increases or reductions crystallizes, a deviation in the energy consumption by the customers compared to the contracted volumes may yield a significant result (either positive or negative) that will be disproportionate to the original assumptions. In addition, the increasing price volatility associated with RES generation may result in a significant decrease in revenues from the Group's RES assets and RES aggregation operations. In response to the changing market conditions, the Group has modified its RES assets generated energy sales strategy and has been aiming at increasing the share of energy sales in OTC transactions, direct sales to the end customers and sales under long term cPPA contracts. Changes to the rules of the balancing market in Poland, which are scheduled to take effect as of 14 June 2024, may result in a significant increase in the balancing costs of weather-dependent RES sources. This is a system-related risk for all market players. 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. The higher cost of working capital facility, due to the increase in 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. Further consolidation of the energy generation sector in Poland poses a risk of lack of liquidity in the forward market, transparency and unreliability of price indices, which may affect the Group's ability to operate its business, as well as its revenues. The risks of extension of the regulation of 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, continuation of the maximum sales prices for RES assets energy and the limits on the margins in trading adversely impact the trading segment and pose significant risk to the operation 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 next distribution tariff update takes place, the Company may experience a negative impact of market changes on the return on the business operations.

The Group believes 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.

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 changes of interest rates trigger volatility of the financing costs, while the increase in raw material and commodity prices combined with the fluctuations of the EUR/PLN exchange rate may lead to an increase in total investment costs. The regulation of the maximum sales price applicable to power generators in 2023 may result in a decrease in the economic parameters of the investments in progress. Disruptions in the supply chain for the offshore wind power segment have been observed, including those resulting from the shortage of already scarce human and equipment resources moving from the offshore wind power sector to other sectors, 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.

In the three quarters of 2023, the Group has been continuing works aimed at the implementation of three wind farm projects of the total capacity of 178 MW which secured auction offtake under the RES support auction scheme.

In October 2022 the Dębsk wind farm project with the capacity of 121 MW obtained the Operating Permit, and in January 2023 - the general license to generate green power.

The 13.2 MW Piekło wind farm project received granted an Operating Permit in May 2023 and a general license in August 2023.

The 44 MW Grabowo wind farm project received an Operating Permit in July 2023 and a general license in September 2023.

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

Another PV project - Strzelino with the capacity of 45.2 MW obtained the necessary corporate approvals in late 2022 and is currently in the advanced construction phase. Construction and installation works are proceeding on schedule. Construction and installation works are scheduled to be completed in December 2023 and the general license is expected to be obtained in Q1 2024.

In December 2022, the subsidiary Polenergia Farma Wiatrowa Namysłów sp. z o.o. developing a portfolio of the Szprotawa PV farm projects with a total capacity of 47 MW successfully participated in the auction for the sale of energy from renewable energy sources. A bidding process to select the contractor has been completed. The Group intends to enter into key project contracts by the end of 2023, subject to the corporate approvals required for the implementation of those projects.

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 1.8 GW. The Group does not exclude potential participation of the subsidiaries developing wind farm and PV projects in further RES auctions. Various 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 end 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 S.A.. 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. (for each company separately) granting the right to cover the negative balance for electricity generated in 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's issued 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 proposal is currently being processed by the European Commission under the pre-notification procedure.

In 2022, regulatory changes took place through an amendment to the Act on Promoting Electricity Generation in Offshore Wind Farms, which allows, since 2022, indexing the price of energy at which the negative balance will be settled and to settle project support in Euros. This should improve the projected rate of return of the MFW Bałtyk II and MFW Bałtyk III projects. The companies are engaged in the notification processes for MFW Bałtyk II and MFW Bałtyk III offshore wind farms. On 11 April 2023, MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. submitted to the President of the Energy Regulatory Office updated documentation as part of the application of MFW Bałtyk II sp. z o.o. dated 6 June 2022 to initiate the procedure for pre-notification of individual State aid to the MFW Bałtyk II project (as may be amended at a later stage) and the application of MFW Bałtyk III sp. z o.o. to initiate the procedure for pre-notification of individual State aid to the MFW Bałtyk III project. On 29 September 2023, a request was filed to commence notification for the MFW Bałtyk II and MFW Bałtyk III offshore wind farm projects, using the prenotification procedure.

In December 2022, a contract was signed by MFW Bałtyk II and MFW Bałtyk III with the appointed supplier of the onshore substation (in the EPC format) along with the design and supply of the high-voltage device of the offshore substation, Hitachi Energy Poland Ltd. Hitachi Energy is also responsible for supplying the complete control system, telecommunications network, all high-voltage equipment in the offshore and onshore substation, as well as the turnkey supply of the onshore substation.

In February 2023 MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. signed annexes to the contracts with Siemens Gamesa Renewable Energy Poland sp. z z o.o. and Siemens Gamesa Renewable Energy A/S governing the choice of the preferred supplier of wind turbines for the projects in development permitting a formal reservation of the installation port by the supplier. This measure mitigates one of the design risks during the construction phase, i.e. the lack of availability of port facilities.

In April 2023, MFW Bałtyk II sp. z o.o and MFW Bałtyk III sp. z o.o entered into contracts with SIF Netherlands B.V. for the appointment of a preferred supplier and the reservation of production capacity for the production of monopile foundations for wind turbines for each of the projects. The contracts include the supplier's commitment to reserve production capacity to allow the production of foundations in quantities and at times consistent with the current project assumptions. At the same time, the parties agreed to negotiate in good faith monopile production contracts for the projects, which would be executed by 1 October 2023.

In September 2023, annexes were entered into with SIF Netherlands B.V. extending the expected deadline for entering into final contracts for the monopile production from 1 October 2023 to 15 January 2024. The signing of the annexes was required in view of the failure to conclude final contract negotiations by the originally declared deadline. Those annexes helped avoid the risk of possible financial penalties for exceeding the agreed deadline for entering into final contracts. The change of the final date did not affect the projects' implementation program.

In October 2023, contracts were signed for the supply and installation of cables for MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. Internal cables will be supplied and installed by Seaway7 AS, with export cables supplied by an international consortium established by Jan De Nul Luxemburg SA and Hellenic Cables SA. The scope of the export cable contracts includes the design, manufacture, testing, transportation, installation and protection of two 220 kV export cables for each wind farm, from the offshore substation ("OSS") to the connection trench at the landfall. Meanwhile, the scope of contracts for internal cables includes the design, manufacture, transportation, installation and supervision of 66 kV internal cables connecting wind turbines to the offshore substation.

In November 2022 the Supreme Administrative Court considered the cassation appeal of GDOŚ against the refusal to issue a new environmental decision for the MFW Bałtyk III offshore wind farm project and referred the case back to the Provincial Administrative Court for reconsideration.

Since in parallel, a final and binding decision was obtained to amend the 2016 Environmental Conditions Decision authorizing the installation of the intended wind turbines, the Company withdrew its complaint from the Provincial Administrative Court (dated 23 January 2023), thus ending the dispute with the environmental authorities (decision of the Provincial Administrative Court dated 2 February 2023 on the discontinuation of the proceedings). Once the decision amending the 2016 Environmental Conditions Decision became final and binding (November 2022), it became possible to mitigate the risks associated with the aforementioned proceedings concerning the potential refusal to outline new environmental conditions for the construction of the MFW Bałtyk III offshore wind farm.

In October 2023, the administrative proceedings for the issuance of a decision on environmental conditions for the connection infrastructure of MFW Bałtyk II and MFW Bałtyk III were completed, the expected date for obtaining the decision is November 2023.

In September 2023, an amendment decision was obtained for the permit to lay and maintain cables in the areas of internal sea waters and territorial sea issued in 2014 for the MFW Bałtyk III offshore wind farm. The amendment of the decision and the subsequent transfer of rights thereunder (application for transfer of rights filed in October 2023) will ensure continuity of the corridor (offshore part) for connection infrastructure for all three offshore wind farm projects.

Securing plots of land for the location of onshore connection infrastructure for the MFW Bałtyk I offshore wind farm will begin after internal approval of the strategy and budget. Private plots of land along the alignment of the export cable for MFW Bałtyk II and MFW Bałtyk III are secured by transfer easement agreements in ca. 90%. Access to institutional plots will be secured through an administrative decision under the special transmission act.

Detailed geotechnical research necessary for the design of the foundations of the wind turbines and the offshore substation, and for the design of the power offtake unit was completed by MFW Bałtyk II sp. z o.o and MFW Bałtyk III sp. z o.o

Analysis of test results and detailed geotechnical laboratory testing of core samples has begun.

In April 2023, r. all civil expert reports for the MFW Bałtyk II and MFW Bałtyk III offshore wind farms were submitted to the Maritime Authority for approval. In July 2023, the military expert reports for the MFW Bałtyk II i MFW Bałtyk III were submitted for approval by the Ministry of Defense and the Ministry of Interior and Administration, respectively. Decisions approving expert reports are part of the application for a building permit. Both MFW Bałtyk II and MFW Bałtyk III have a package of decisions approving expert reports (civil and military) in place.

As part of the implementation of the Projects, continuous active operations in the area of stakeholder management, have been performed including the promotion of the "local content." The projects undertake a number of initiatives in the areas of, without limitation, information, communication, education and supply chain development. Examples of such activities include periodical information meetings with local communities, the opening of a Local Information Point in Łeba, supporting cooperation with Polish companies during e.g. Supplier Days, or participation in educational campaigns.

In December 2022, the company MFW Bałtyk I S.A. obtained a decision outlining the scope of the environmental report for the project called Morska Farma Wiatrowa Bałtyk I. The report is currently being prepared, as amended by the decision dated 31 March 2023.

Preliminary geophysical and geotechnical surveys have been launched in the area of the offshore wind farm and submarine cable corridors by MFW Bałtyk I S.A.

The Group has actively been developing a hydrogen program to extend the current value chain with the use of electricity to produce renewable hydrogen (produced by electrolysis of water using electricity generated from renewable energy sources). Implementation of the program includes the development of new business models and the construction of hydrogen generation units for industrial use, to power zero-emission means of transportation and for energy applications. Three projects are being implemented under the program: H2Silesia, H2HUB Nowa Sarzyna and eFuels.

The H2Silesia project is being developed by Polenergia's special purpose vehicle H2Silesia Sp z o. o. and involves the construction of a 105 MW large-scale renewable hydrogen production facility for heavy industry and zero-emission transportation located in Upper Silesia. The intended facility will be able to produce ca. 13,000 tons of hydrogen per year. In April 2022, pre-notification was obtained for the H2Silesia project through the IPCEI (Important Projects of Common European Interest) process at the national level. The implementation of this project by Polenergia is part of the activities of the Silesian-Małopolska Hydrogen Valley.

The H2HUB Nowa Sarzyna project involves the construction of a pilot facility for the production of renewable hydrogen with a nominal capacity of the electrolyzer of ca. 5 MW which will allow a maximum production of ca. 500 tons of green hydrogen per year. This facility will be located in Nowa Sarzyna at the premises of the Nowa Sarzyna Combined Heat and Power Plant (ENS).

On 7 June 2023, Polenergia's subsidiary H2HUB Nowa Sarzyna sp. z o.o. developing the H2HUB Nowa Sarzyna project, entered into a contract with Hystar AS, based in Høvik, Norway, for the supply and commissioning of a 5 MW electrolyzer (performance under said contract is subject to a final investment decision and has been scheduled for Q3 2024) and a long-term electrolyzer maintenance agreement. On the same day, an agreement was entered into with the International Finance Corporation ("IFC"), a member of the World Bank Group, for cooperation with a view to co-finance the development costs of the H2HUB Nowa Sarzyna Project which includes a hydrogen production plant, along with two filling stations and associated infrastructure. On 27 June 2023, Polenergia's subsidiary Polenergia Elektrociepłownia Nowa Sarzyna (thermal power plant) entered into an agreement with the National Fund for Environmental Protection and Water Management (NFOŚiGW) for the financing of a project "Construction by Polenergia ENS sp. z o.o. of public access hydrogen filling stations in Rzeszów and Nowa Sarzyna." The Project's objective is to build two hydrogen filling stations with associated infrastructure, in two locations: in the area bordering on the Elektrociepłownia Nowa Sarzyna and in the city of Rzeszów. The total amount of the grant funding awarded will be up to PLN 20 m. A tender is also underway to select an EPC contractor for the project.

The H2HUB Nowa Sarzyna project is part of activities under the label of the Subcarpathian Hydrogen Valley, with Polenergia S.A. and Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o being among the founders thereof.

As part of the long-term development of the Group's business, a project called eFuels has been underway aimed at preparing the Group to participate in the hydrogen economy not only in terms of production of renewable hydrogen, but also in its processing into derivative products. The project aims to use renewable hydrogen to produce methanol and renewable jet fuel. The fuel produced as a result of the project will reduce greenhouse gas emissions in air transportation, with no need to build new infrastructure, fuel bases or to develop new aircraft designs. As part of the National Research and Development Center's competition titled "New Technologies in Energy I", the Company was among 6 teams that were awarded funding to implement innovative energy projects. This project is implemented by a consortium led by the Company, with other partners including Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. and Wrocław University of Technology. On 30 June 2023, the Company completed the implementation of Phase I of the Project consisting of the preparation of the Feasibility Study and is now awaiting the selection result, after a review of the Company's report, based on the criteria for proceeding from Phase I to Phase II of the project implementation (as per the rules outlined in the Competition Regulations).

The Group has been modifying the implementation of its strategy in the trading and sales segment on an ongoing basis, adapting it to the changing market conditions and the rising costs of hedging end users and profiling RES sources. Offering to end users is done with particular attention to risks and potential costs that may affect the realized margins. The Group implements a follow-up recalculation of financial risks and costs associated with hedging customer and generator positions in the futures market. The regulations put in place to limit energy sale prices and contributions to the Settlement Administrator's (Zarządca Rozliczeń) fund which shall continue in force until the end of 2023 have largely inhibited opportunities for any dynamic development of sales and external RES aggregation. The Company has been intensely developing a long-term cPPA contract sales model based on the existing and newly built Group's generation assets.

The activity in the short-term and ultra-short term trading market (the Intraday Market) is being successfully developed in terms of transactions just a few hours before physical delivery of energy, using available data on the changing market fundamentals. Commercial business in the wholesale markets has also 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. The company's trading activities are subject to regulations on the contributions to the Settlement Administrator, therefore the results of all business lines in 2023 will be reduced by the payments to the Settlement Administrator.

The company Polenergia Sprzedaż continues to sell energy generated in the renewable sources controlled by the Group. Customers include both business clients and consumer end-users (B2B and B2C). The green energy produced in the Group's generating assets is sold in two models: as a product with the Energy 2051 standard and a product without this standard, yet still retaining the guarantee of 100% RES-originating energy. As part of the intra-group cooperation, products have been developed, implemented and marketed that combine installation of solar panels heat pumps, energy storage with the supply of green energy. Prosumers were able to take advantage of a unique offer in the market, combining Energy 2051 green energy with a price guarantee for 8 years. In the third quarter of 2023, the Company launched SMART cPPA and SLIM cPPA products with a price guarantee until the end of 2028 targeted at B2B customers. The company launched a series of marketing activities aimed at building its image and acquiring sales leads, thus strengthening its position in the market.

As part of its operating activity, the company Polenergia Fotowoltaika S.A. in Q3 2023 installed 8.5 MWp of solar panels and 126 energy storage facilities, while in the heat pump segment it installed 233 pumps. Sales of services in the corporate segment (large installations in excess of 50 kWp) have been continued. The Company has also started operations in the Czech market. The offer is targeted at individual customers and includes photovoltaic installations along with energy storage.

In the distribution segment, on 28 April 2023, Polenergia Dystrybucja Sp. z o.o. received a decision from the President of the Energy Regulatory Office approving the Tariff for the distribution and sale of electricity. The new Tariff became effective on 13 May 2023, with RAB (Regulatory Asset Base) of PLN 138.7 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 2023, connection agreements were executed and connection readiness was notified for 57 projects/project phases, and extension of general license was obtained for 24 projects, with further 14 projects expected to obtain general license.

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 2023, the company signed 83 connection agreements, with the total estimated capex reaching PLN 101.83 m, which accounts for 96.98% of the investment portfolio IV. Under the Investment Plan IV, the Company completed 42 projects for which it declared readiness to connect, and license extensions have been obtained for 23 projects; licenses are also expected to be obtained for another 9 projects.

The company Polenergia eMobility has been actively acquiring locations for the construction of public charging stations throughout the country and has been building further charging stations. 24 charging stations were brought into operation, which translates into 33 charging points. The company is developing the software system functionality for operating charging stations, as well as for the customer service in a client application. A call center service has also been launched to support customer service. The company has applied in 2022 and 2023 to three programs related to subsidizing charging stations from the National Environmental Protection and Water Management Fund (NFOŚiGW). In addition to investing in a network of public access stations, the company has prepared and launched sales of a commercial e-mobility offer which includes the sale of charging stations, technical service and management services in relation to charging stations.

Other significant information on the Group's condition

On 5 June 2023, Polenergia S.A. entered into revolving credit facility agreements with Santander Bank Polska S.A. and Bank Polska Kasa Opieki S.A. up to PLN 300 million, for a term of three years (with an option to extend for another two years). The credit will be used for purposes in line with the Polenergia Group's Strategy 2020 - 2024. The contractual provisions do not deviate from arm's length conditions commonly applied in this type of agreement. In connection with the credit agreement, Polenergia S.A. filed statements of submission to collection in favor of each of the abovementioned lenders and established registered and financial pledges on its bank accounts.

On 5 October 2023, Polenergia S.A. (the "Company") entered into a provisional agreement to acquire a 60% stake in Naxxar Wind Farm Four Srl ("Naaxar WF"), based in Bucharest, from Naxxar Renewable

Energy Management Holding Srl, with registered office in Bucharest (the "Seller"). Naxxar WF holds stakes (about 7%) in seven SPVs developing a wind farm project in Romania's Tulcha County with a planned capacity of up to 685.6 MW, with technical conditions for grid connection. In view of the current development (preparatory) phase of the project and the resulting need to obtain, without limitation, further approvals and permits, the final attainable capacity for this project may be reduced. The main condition precedent to the agreement is that the Company must obtain approval for Foreign Direct Investment (FDI). The outside deadline for the fulfillment of such conditions was agreed to be 31 December 2023. The consideration for the shares is EUR 3,476,574.81 (with possible adjustment for the net debt mechanism). With the conclusion of the agreement, the Company provided Naxxar WF with a loan of EUR 1,050,000 to provide financing for the acquisition of new shares in the SPVs, thereby bringing the Company's ownership in each of the SPVs to approximately 14%. Said loan has been secured by a pledge on all shares held by the Seller in Naxxar WF. Upon fulfillment of the conditions precedent, with the acquisition of the shares, Polenergia S.A. will provide Naxxar WF with further financing (in the form of a loan or through a share capital increase), i.e.: (i) EUR 1,500,000 to provide financing for the acquisition of new shares in the SPVs, thereby bringing the Company's ownership in each SPV to 20%; (ii) EUR 723,533.19 to repay loans extended by the Seller to Naxxar WF; and (iii) up to €3,776,466.81 to provide financing for further development of the project, with possible increase of such amount to be made available under the financing. The agreement provides for the Company's right to acquire the remaining 40% of shares in Naxxar WF commencing 1 July 2024 and ending 31 December 2024 (call option). If the Company fails to exercise this right, the agreement stipulates that the Seller will be able to sell the remaining 40% stake in Naxxar WF to the Company between 1 January 2025 and 30 June 2025 (put option). The consideration for the remaining shares in Naxxar WF will depend on the project's achievement of certain milestones, with a maximum price of up to EUR 36,383,327.20 (i.e., EUR 53,067.86/MW of the project's final capacity, which may reach 685.6 MW), depending on the final capacity of the project (and its structure). The framework shareholders' agreement executed at the level of the SPVs (to which Naxxar Wind Farm Four Srl is a party) stipulates that once the project reaches a certain milestone, (this condition being reserved in favor of Naxxar WF), Naxxar WF will have the right to buy out the remaining 80% of the shares in the SPVs and thus become their sole shareholder. Accordingly, the maximum price for the buyout of 80% of the shares in the seven SPVs may amount to EUR 37,679,147.20 (i.e., EUR 54,957.92/MW of the final project capacity, which may reach 685.6 MW). In order to secure the Company's payments to the Seller provided for in the agreement in respect of the acquired shares and the remaining shares in Naxxar WF, Polenergia S.A. will establish a pledge in favor of the Seller on all the shares it holds in Naxxar WF. The agreement provides, without limitation, for a contractual penalty in favor of the Company if the Seller (or its affiliates) develops activities that are competitive to the project. Other terms of the agreement do not deviate from the market standards used in transactions of this type.

On 19 October 2023, the Management Board of Polenergia S.A. publicly announced information on the completed public offering (the "Offering") of 10,416,667 AB Series ordinary bearer shares with a par value of PLN 2.00 each (the "Offered Shares"), including, without limitation:

- Subscriptions in exercise of pre-emptive rights and additional subscriptions in the Offering were accepted from 21 September to 28 September 2023. Due to the subscription of all Offered Shares under subscriptions made in exercise of pre-emptive rights and additional subscriptions, no subscriptions were made for Offered Shares for which no subscriptions were made in exercise of pre-emptive rights and additional subscriptions, which were scheduled for 10 - 11 October 2023.
- On 9 October 2023, the Offered Shares were allotted through the Central Securities Depository in accordance with the rules described in the Prospectus. The Management Board of Polenergia S.A. passed a resolution on the allocation on 18 October 2023.
- The subscription under the Offering covered 10,416,667 Offered Shares.
- The Offering was not divided into tranches. The reduction rate for additional subscriptions was

ca. 80.62%.

- Under the Offering, 10,416,667 Offered Shares were allotted and acquired at the issue price of PLN 72.
- A total of 316 investors made their subscriptions in the Offering, while the Offered Shares were allocated to 315 investors.
- The Offered Shares were not subject to any underwriting agreements.
- The value of the subscription of the Offered Shares, understood as the product of the number of Offered Shares included in the offering and the selling price, amounted to PLN 750,000,024 (seven hundred and fifty million twenty-four Polish Zlotys).
- The Offered Shares were paid for with cash contributions.

On October 25, 2023. The Central Securities Depository ("Krajowy Depozyt Papierów Wartościowych S.A. - KDPW") issued Statement No. 998/2023 regarding the execution of an agreement with the company Polenergia S.A. to register 10,416,667 rights to AB series ordinary bearer shares of the Company ("PDA") in the depository maintained by KDPW (the "Depository") and to designate them with the ISIN code PLPLSEP00153.

On 6 November 2023, the District Court for the capital city of Warsaw in Warsaw, Commercial Division XII of the National Court Register, registered an amendment to the Statutes of Polenergia S.A. made pursuant to the resolution of the Company's Extraordinary General Meeting of 3 April 2023. The amendment to the Company's Statutes registered by the Court relates to an increase in the Company's share capital as a result of the issuance and public offering of 10,416,667 AB series ordinary bearer shares of the Company performed pursuant to a resolution of the General Meeting. The share capital of the Company amounts to PLN 154,437,826.00 divided into 77,218,913 Shares of the par value of PLN 2.00 each. The total number of votes in the Company, to which all issued shares in the Company's share capital are entitled, is 77,218,913.

On November 13, 2023, the Management Board of the Warsaw Stock Exchange S.A. adopted resolution No. 1221/2023 on the admission and introduction to exchange trading on the WSE Main Market of series AB ordinary bearer shares of the Company, based on which the WSE Management Board stated that 10,416,667 series AB ordinary bearer shares are admitted to exchange trading on the main market AB of the Company and decided to introduce all shares to stock exchange trading on the main market as of November 16, 2023, provided that the Central Securities Depository on November 16, 2023, registration of these shares and marking them with the code "PLPLSEP00013".

On 18 January 2023, Polenergia Obrót S.A. ("POLO") entered into annex with Deutsche Bank Polska S.A. with registered office in Warsaw to the multi-purpose facility agreement dated 10 November 2021. The annex provides for an increase of the credit limit to a total of PLN 200 million, under which an overdraft limit and a guarantee limit have been made available. The annex was concluded for a definite period of 12 months, with possible extension for subsequent loan terms (with the ultimate period ending on 10.01.2025). In view of the above, the company Polenergia S.A. increased its surety up to the total of PLN 100 million. Originally, the facility agreement provided for a PLN 100 million multi-purpose loan to POLO, with the surety of PLN 30 million.

On 14 September 2023, Polenergia Obrót S.A. entered into an Agreement for the Sale of Electricity and Guarantee of Origin for Electricity from Renewable Energy Sources ("cPPA") with Northvolt Systems Poland sp. z o.o., with registered office in Gdańsk ("Northvolt"). The cPPA concerns the sale of electricity and guarantees of origin for energy generated by the Szymankowo wind farm with the installed capacity of 38 MW (the "Farm"). The term of the cPPA is 51 months. The total planned volume of electricity sales under the cPPA relates to the portion of the volume projected to be produced by the Farm, which is a dedicated generation source for Northvolt, during such period. The estimated sales volume in the subsequent years of the cPPA will be around 10,500 MWh (with a possible increase to 15,000 MWh). The energy produced will be sold at a fixed price. Total estimated revenues from energy sales over the term of the Agreement may amount to between PLN 26.8 million and PLN 36.7 million. The parties to the cPPA have been adequately secured, including in the event of a failure to supply energy (POLO has the right to substitute another wind farm to supply Northvolt with the amount of electricity as forecast), as well as in the event a failure to pay for the energy supplied by POLO. Performance bonds for the cPPA guaranteeing payments for the purchase of energy will be established within 30 days from the date of execution of the cPPA. In the event of early termination of the cPPA (as a result of the circumstances provided for therein), the eligible party shall be entitled to a termination fee of a maximum amount of 10.9 million for the entire term of the cPPA, which decreases in each subsequent year of its duration. At the same time, the Parties entered into an additional agreement that comprehensively provides and sets out the terms and conditions for the commercial balancing of Northvolt's consumption needs. Other terms and conditions of the cPPA are no different from standard provisions commonly used in agreements of such type. Signing a multi-year energy sales agreement with a customer with a stable financial position is in line with the Polenergia Group's long-term strategy of commercializing generation sources. Such a model secures the revenue stream realized at the Polenergia Group and makes it independent of any fluctuations in energy market prices that may occur.

On 29 September 2023. Polenergia Obrót S.A. entered into an annex to a multi-purpose credit limit agreement with Bank Pekao S.A. maintaining a total credit limit of PLN 300 million, including the availability of an overdraft of up to PLN 150 million, with an expiration date of 30 September 2024. In view of the above, Polenergia S.A. issued a surety to Polenergia Obrót S.A. up to PLN 150 m.

On 9 February 2023, the company Polenergia Obrót 2 sp. z o.o., developing the Strzelino photovoltaic farm project with a total installed capacity of 45.2 MWp, entered into a contract with JINKO SOLAR (CHUZHOU) CO., LTD. for the delivery of the PV modules for the project. The contract covers the sale of the PV modules manufactured by the supplier in the quantity required for the project. The contract does not include the supply of inverters. The contract value is ca.EUR 10 million.

On 18 May 2023, the company Polenergia Obrót 2 sp. z o.o., which is developing the Strzelino photovoltaic farm project with a total installed capacity of 45.2 MWp, as borrower and mBank S.A., Pekao S.A. and PKO Bank Polski S.A., as lenders, entered the facilities agreement. Pursuant to such agreement, the lenders provided the borrower with: (i) a term loan of up to a total of PLN 90 million to finance the construction of the Strzelino PV farm, with an option to increase the Lender's exposure (upon fulfillment of additional conditions set forth in the Facilities Agreement), (ii) a VAT loan up to a maximum total of PLN 27 million, and (iii) a DSR loan up to a maximum total of PLN 9.8 million. In connection with the facilities agreement, the borrower and Polenergia S.A. are obligated to provide a standard security package applied in project finance transactions. Among other things, the borrower filed a statement of submission to collection and established a registered pledge on a set of movables and rights, while Polenergia S.A. established a registered and financial pledge on the borrower's shares and filed statements of submission to collection. The Facilities Agreement provides for repayment of the term loan no later than 16 December 2038, the VAT loan no later than 31 May 2024, and the DSR loan no later than 16 December 2038. The interest rate on the loans is based on the WIBOR reference rate, plus the Lender's margin. The terms and conditions of the Facilities Agreement, including those relating to collateral, liquidated damages, mobilizing the financing and terminating the Facilities Agreement, are in line with those applied in this type of transaction.

On 31 March 2023, Amon sp. z o.o., with registered office in Łebcz ("Amon"), received a pleading from Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with registered office in Warsaw ("PKH") in the proceedings instituted by Amon against PKH pending before the Regional Court in Gdansk, by which PKH included a counterclaim ("Counterclaim") demanding the award of PLN 61,576,284.89 from Amon to PKH with statutory default interest. The amount of PLN 55,691,856.47 represents liquidated damages demanded by PKH allegedly on the basis of § 8 sec. 1 of the Agreement for the Sale of proprietary interest Resulting from Certificates of Origin Evidencing the Generation of Electricity in a Renewable

Energy Source - the Łukaszów Wind Farm, entered into on 23 December 2009 by Amon with PKH (the "Proprietary Interest Sale Agreement") and resulting allegedly from Amon's failure to meet the quantities of proprietary interest to be transferred in individual months commencing August 2019. The amount of PLN 5,884,428.42 , on the other hand, represents compensation claimed by PKH for Amon's alleged failure to perform, in the period from 18 November 2022 to 31 December 2022, under the Agreement for the Sale of Electricity Generated at the Renewable Energy Source - the Łukaszów Wind Farm entered into by Amon with PKH on 23 December 2009 (the "Energy Sale Agreement"). On 16 May 2023, the Regional Court in Gdańsk served Amon a decision dated 2 May 2023, which left the counterclaim of Polska Energia – Pierwsza Kompania Handlowa without proceeding any further. The basis for the order in question by the Regional Court in Gdansk is Article 204 sec. 1, second sentence of the Code of Civil Procedure, which stipulates that a counterclaim may be brought no later than in a statement of defense. On 12 June 2023, Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. filed a cassation appeal against the judgment of the District Court in Gdańsk dated 17 November 2022 in the case of Amon's claim against PKH, by which the District Court entirely dismissed the appeal filed by PKH.

On 7 June 2023, Polenergia H2HUB Nowa Sarzyna sp. z o.o., developing the H2HUB Nowa Sarzyna project, entered into an agreement with Hystar AS, with registered office in Høvik, Norway ("Hystar") for:

- the supply and commissioning of a 5 MW electrolyzer (the "Supply Agreement"). Performance under the Supply Agreement is scheduled for Q3 2024;
- a long-term electrolyzer servicing agreement ("LTSA"). LTSA covers the provision of maintenance services for the abovementioned electrolyzer during the period of 2 years following the go-live (with an option to extend for the total of 10 years), including the scheduled inspections, repairs, supply of maintenance items and spare parts, remote oversight and other related activities. Hystar also guarantees the appropriate level of availability of the electrolyzer under the servicing agreement.

On 7 June 2023, the company Polenergia H2HUB Nowa Sarzyna sp. z o.o. and Polenergia S.A. entered into a cooperation agreement with the International Finance Corporation ("IFC"), a member of the World Bank Group, to co-finance the development costs of the Project which includes a hydrogen plant along with two filling stations and associated infrastructure. IFC shall refinance part of the costs incurred so far in the Project plus 50% of the cost of purchasing an electrolyzer for the hydrogen plant. Pursuant to the agreement, the maximum amount of financing for the project is EUR 3,600,000, significantly reducing the Polenergia Group's financial exposure related to the investment. The obligation to repay the financing will arise in the event a final investment decision is made. The term of contract is one year. According to the provisions of the agreement, if the agreement is terminated, depending on the reasons, a penalty may be charged, not exceeding 10% of the maximum amount of financing. The agreement also provides for the IFC's right, in certain cases, to either withhold the financing or terminate the agreement with immediate effect. Implementation of subsequent phases of the project may require obtaining relevant corporate approvals.

On 22 November 2023, with reference to current report No. 30/2022 of 23 September 2022 on the conclusion of an agreement with the National Centre for Research and Development ("NCBiR") for the co-financing of the project called H2 HUB Nowa Sarzyna: Green Hydrogen Storage under the competition New Technologies for Energy I, the Management Board of the company under Polenergia S.A. announced that it had decided, after evaluating the project and obtaining the required corporate approvals, to continue the project and proceed with its second phase. The grant agreement was concluded on 23 September 2022 by the Company, as consortium leader, Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. and Wrocław University of Technology (the "Consortium"). The implementation of the Project is divided into three phases. The first phase has been completed - NCBiR has decided to recommend the Project to move from phase one to phase two. As of the date of this report, the Consortium assumes that the expected total cost of expenditures incurred under Phase II of the project will be approximately PLN 14.2 million (the amount will come from the amount of the subsidy applied for under Phase II of the project and the Polenergia Group's own funds). According to the grant application, which is an integral part of the grant agreement, the subsidy in phase two refers to the costs planned to be incurred by ENS and Wrocław University of Technology. The final value of the subsidy in phase two will depend on the actual costs incurred in connection with the implementation of the project. The planned completion date for phase two of the project is 31 October 2025. Eligibility for further funding under the grant agreement (in connection with the implementation of phase three of the project) is subject to a positive selection outcome following verification of phase two of the project and approval of payment applications. The Company stipulates that it will evaluate the project after the completion of the second phase of the project and make a decision on its further implementation in the third phase and the method of funding, which may require relevant corporate approvals. The detailed terms and conditions of the grant agreement were outlined in current report 30/2022 and remain unchanged.

On 27 June 2023, Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. ("ENS") entered into a funding agreement ("Funding Agreement") with the National Fund for Environmental Protection and Water Management ("NFOŚiGW") for the project "Construction by Polenergia ENS sp. z o.o. of public hydrogen filling stations in Rzeszów and Nowa Sarzyna" under the priority program "Support for electric vehicle charging infrastructure and hydrogen filling infrastructure" - construction or redevelopment of public hydrogen stations. The Project's objective is to build two hydrogen filling stations with associated infrastructure, in two locations: in the area bordering on the Nowa Sarzyna thermal power plant and in the city of Rzeszów. According to the Funding Agreement, the total amount of funding in the form of a subsidy is PLN 20 million (the "Subsidy"), which represents ca. 43% of the eligible costs of the project. According to the Funding Agreement, the hydrogen filling stations and associated infrastructure should be put into operation by 1 June 2025, the Funding Agreement providing for the possibility of changes to the program. The Beneficiary's entitlement to drawdowns of the Subsidy funds is contingent upon the approval of applications for disbursement of funds, the submission of which may require obtaining the relevant corporate approvals. The remaining provisions of the Subsidy Agreement, including the termination by notice, termination with immediate effect, withholding of the subsidy, are no different from those commonly used in such type of agreements.

On 26 June 2023, Polenergia S.A., as a shareholder to the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. (collectively, the "Project Companies"), holding 50% of the shares in each of the Project Companies, together with Equinor Wind Power AS, the shareholder holding the remaining 50% of the shares in the Project Companies, adopted shareholder resolutions of the Project Companies to approve updates to the budgets of the MFW Bałtyk II and MFW Bałtyk III projects and the projects' development plans for the period until the commencement of construction works (collectively, the "Budget"), including in particular the estimated capital expenditures required to prepare the projects for the commencement of construction works ("Devex") and the programs for such stage of the projects' development. The budgeted level of Devex currently amounts to about PLN 950 million, this amount also including funds already spent (about PLN 415 million) in the period between obtaining the decision to grant support to the projects and the date of publication of this report. According to the approved Budget, the intended commencement date for construction works falls in Q1 2025, while the completion and commissioning of the projects is scheduled for 2028. The level of Devex set in the Budget, as well as the planned implementation dates of the project's development milestones mentioned above represent estimates that are subject to further changes. Any update to the Budget will require the adoption of relevant shareholders resolutions within the Project Companies. The shareholders resolutions of the Project Companies and as the adopted updated Budget, apply only to Devex. Further capital expenditures, including those in the construction phase (construction capital expenditures; "Capex"), will be subject to separate decisions by the shareholders of the Project Companies. However, Polenergia S.A. informs that the implementation of the projects according to the schedule resulting from the updated Budget will result in the need for the Project Companies to incur, in the period prior to the commencement of construction and on top of Devex, also part of the expenditures constituting Capex, which will ultimately be included in the construction phase budget. According to current estimates, these expenditures may amount to ca. PLN 2.8 - 3.2 billion, with the total construction phase budget estimated in the range of PLN 21 - 24 billion. Polenergia S.A. makes a caveat that this information is non-binding, is subject to change, and the company will not separately inform thereof before the construction phase budget is formally adopted.

On 29 September 2023, project companies MFW Bałtyk II sp. z o.o and MFW Bałtyk III sp. z o.o entered into annexes to contracts with SIF Netherlands B.V. ("Supplier") referred to in Report 14/2023 for the appointment of a preferred supplier and the reservation of production capacity for the production of monopile foundations ("Monopiles") for wind turbines for each of the projects (collectively "Reservation Contracts"). The annexes provide for a change of the assumed date of signing contracts for the production of Monopiles for the projects (the "Final Date" and "Final Contracts", respectively). The new Final Date of 15 January 2024 was agreed upon in the Annexes. The reason for the change in the Final Date are the ongoing negotiations of the Final Contracts. The change of the Final Date has no impact on the projects' implementation program. In view of the change in the Final Date, Polenergia S.A. will be required to issue new sureties ("New PCGs") for the Project Companies' obligations to pay 50% of the cancellation fees, in accordance with the cancellation fee increase mechanism provided for in the Reservation Contracts. The new PCGs will replace the existing sureties. The maximum total amount of Polenergia S.A.'s liability under the New PCGs shall be calculated by the Project Companies and the Supplier prior to the issuance of the New PCGs. As of the date of publication of this report, the amount for the two projects combined has been estimated at ca. EUR 38 million.

On 5 October 2023, the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. entered into agreements for the design, manufacture, testing, transportation, installation and protection of export cables from the offshore transformer station to the energy outlet on land, with MFW Bałtyk II sp. z o.o. entering into an agreement with Jan De Nul Luxemburg SA Hellenic Cables S.A. Consortium Bałtyk 2 spółka jawna (general partnership), and MFW Bałtyk III sp. z o.o. - with Jan De Nul Luxemburg SA Hellenic Cables S.A. Consortium Bałtyk 3 spółka jawna ("Contractors"). The Contractors' companies have been established for the purpose of performing the agreements as a joint venture of: (i) the assembly company, Jan De Nul Luxembourg SA, and (ii) the cabling manufacturer, Hellenic Cables SA Hellenic Cable Industry Single Member Societe Anonyme. The total remuneration of the Contractors under the two agreements (i.e. for both projects) was tentatively set - as at the date of signing the agreements - at ca. EUR 372 million. It includes partly lump-sum rates and partly rates dependent on the indexation of raw material prices, fuel prices and the actual workload on the part of the Contractors and the resources involved. The Contractors' remuneration determined in this way also takes into account the optional scope of work provided for in the agreements. The final remuneration of the Contractors will be determined in accordance with the provisions of the agreements based on the finally completed scope of work and after taking into account factors depending on the market situation. Under the agreements, Polenergia S.A. will be required to provide payment security in the form of a corporate guarantee ("PCG"). PCGs issued by the Company will cover 50% of the value of the Project Companies' existing obligations vis a vis the Contractor. The maximum expected amount of the Company's PCG obligations (for both agreements combined) is: (i) EUR 36 million by 01.10.2024 (purchase of raw materials), and (ii) in subsequent period until financial close confirmed by the financing institution is reached: EUR 156.5 million. The agreements anticipate the need to increase the required guarantee limit if the Project Companies order the Contractors' additional, optional scope of work.

On 24 October 2023, the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o., entered into agreements with Seaway 7 Management AS, with registered office in Oslo, Norway, for the design, manufacture, testing, transportation, installation and protection of "internal" cables, i.e. those connecting offshore wind turbines to the offshore transformer station. The total remuneration of the Contractors under the two agreements (i.e. for both projects) was tentatively set - as at the date of signing the agreements - at ca. EUR 187 million. It includes partly lump-sum rates and partly rates dependent on, without limitation, the installation work technique applied, the duration of the contractor's offshore work, downtime due to weather conditions, indexation of raw material prices, fuel prices and the rates of selected subcontractors. The total remuneration payable to the contractor has been calculated with the assumption that both projects will be implemented. The final remuneration will be determined after freezing variable rates and taking into account factors depending on the market situation.

On 28 July 2023, the Management Board of the Company Polenergia S.A. decided to discontinue works aimed at preparing a wind farm project in the Baltic Sea in the region of the Lithuanian territorial sea or the exclusive economic zone of the Republic of Lithuania for auction, the application of which was being considered in the context of the auction for offshore wind power in Lithuania scheduled for the second half of this year. The abovementioned decision was made after the analysis of the economic viability of the project in light of the published parameters for the planned auction (including the maximum transaction price announced by the National Energy Regulatory Authority (NERC) on 13 July 2023), upon consultation and under the arrangement with the Lithuanian company Modus Energy AB (operating under the Green Genius brand), which was to be a local partner. In doing so, the parties agreed that cooperation in this area was terminated. The Company will continue to analyze potential investment and business opportunities in the Lithuanian market.

Financial performance for the 9-month period ended 30 September 2023 by operating segments

On the following pages a presentation is given of the distribution of the total Group performance in Q3 2023, broken down into the business segments.

9M 2023 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**412,0**	**15,4**	**138,0**	**3 368,0**	**133,3**	**12,9**	**-**	**4 079,5**
Operating costs, including	**(165,2)**	**(6,3)**	**(132,8)**	**(3 152,3)**	**(119,4)**	**(10,3)**	**(2,1)**	**(3 588,4)**
operating costs (without granted green certificates adjustment)	(74,0)							(74,0)
depreciation/amortization	(88,4)	(3,0)	(7,0)	(7,0)	(6,6)	(4,7)	(2,1)	(118,7)
granted green certificates adjustment	(2,8)	-	-	-	-	-	-	(2,8)
Gross profit on sales	**246,8**	**9,1**	**5,2**	**215,7**	**13,9**	**2,6**	**(2,1)**	**491,1**
Gross profit on sales margin	*59,9%*	*58,8%*	*3,7%*	*6,4%*	*10,5%*	*"n/a"*	*"n/a"*	*12,0%*
Selling expenses	-	-	-	(73,2)	-	-	-	(73,2)
General overheads	(8,6)	(0,9)	(5,5)	(52,6)	(6,6)	(40,5)	-	(114,6)
Other operating activities	0,2	(0,7)	(1,6)	(0,1)	0,5	(0,6)	-	(2,3)
including imairment losses	(0,1)	-	-	-	-	-	-	(0,1)
Operating profit	**238,4**	**7,4**	**(1,9)**	**89,8**	**7,9**	**(38,5)**	**(2,1)**	**301,0**
EBITDA	**326,9**	**10,4**	**5,0**	**96,8**	**14,5**	**(33,8)**	**-**	**419,8**
EBITDA Margin	*79,3%*	*67,4%*	*3,6%*	*2,9%*	*10,9%*	*"n/a"*	*"n/a"*	*10,3%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**326,9**	**10,4**	**5,0**	**96,8**	**14,5**	**(33,8)**	**-**	**419,8**
Adjusted EBITDA Margin	*79,3%*	*67,4%*	*3,6%*	*2,9%*	*10,9%*	*"n/a"*	*"n/a"*	*10,3%*
Profit (loss) on financial activities	(48,7)	(3,6)	1,1	(14,2)	(4,5)	30,9	-	(39,1)
Profit (loss) before tax	**189,7**	**3,8**	**(0,9)**	**75,6**	**3,4**	**(7,6)**	**(2,1)**	**261,9**
Income tax								(53,1)
Net profit (loss) for period								**208,8**
Normalizing adjustments:								
Purchase price allocation (PPA)								2,1
Foreign exchange differences								0,2
Loan valuation using amortized cost method								2,5
Impairment losses								0,1
Net result on the sale of assets								-
Adjusted net profit								**213,7**

*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) 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**
Change of adjusted EBITDA yoy	**80,3**	**(1,2)**	**1,1**	**110,5**	**(6,5)**	**(8,8)**	**-**	**175,4**

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

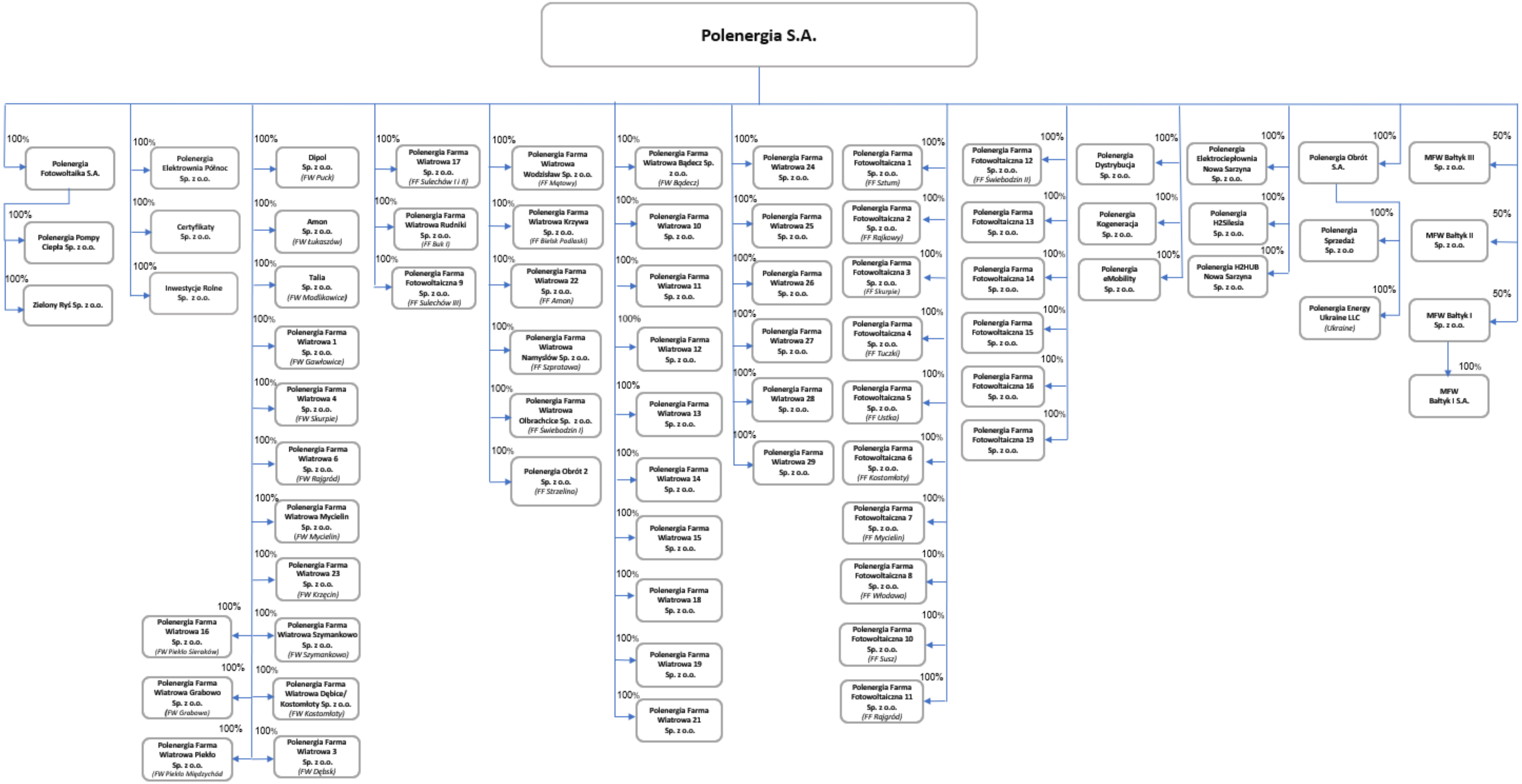
3Q 2023 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	**110,0**	**6,5**	**45,2**	**1 026,2**	**48,6**	**5,0**	**-**	**1 241,4**
Operating costs, including	**(56,4)**	**(1,8)**	**(42,3)**	**(960,8)**	**(38,3)**	**(3,9)**	**(0,7)**	**(1 104,2)**
operating costs (without granted green certificates adjustment)	(21,4)							(21,4)
depreciation/amortization	(31,4)	(1,0)	(2,4)	(2,4)	(2,2)	(1,6)	(0,7)	(41,6)
granted green certificates adjustment	(3,6)	-	-	-	-	-	-	(3,6)
Gross profit on sales	**53,5**	**4,7**	**2,9**	**65,4**	**10,3**	**1,1**	**(0,7)**	**137,3**
Gross profit on sales margin	*48,7%*	*72,3%*	*6,5%*	*6,4%*	*21,2%*	*"n/a"*	*"n/a"*	*11,1%*
Selling expenses	-	-	-	(23,7)	-	-	-	(23,7)
General overheads	(3,0)	(0,4)	(1,7)	(19,5)	(2,2)	(13,5)	-	(40,1)
Other operating activities	(4,6)	(0,3)	(0,4)	1,8	0,0	(0,6)	-	(4,1)
including imairment losses	-	-	-	-	-	-	-	-
Operating profit	**45,9**	**4,1**	**0,8**	**24,1**	**8,1**	**(12,9)**	**(0,7)**	**69,4**
EBITDA	**77,3**	**5,1**	**3,2**	**26,4**	**10,3**	**(11,3)**	**-**	**110,9**
EBITDA Margin	*70,3%*	*77,7%*	*7,0%*	*2,6%*	*21,2%*	*"n/a"*	*"n/a"*	*8,9%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	**77,3**	**5,1**	**3,2**	**26,4**	**10,3**	**(11,3)**	**-**	**110,9**
Adjusted EBITDA Margin	*70,3%*	*77,7%*	*7,0%*	*2,6%*	*21,2%*	*"n/a"*	*"n/a"*	*8,9%*
Profit (loss) on financial activities	(15,7)	(1,4)	0,1	(4,8)	(1,7)	6,7	-	(16,8)
Profit (loss) before tax	**30,3**	**2,7**	**0,9**	**19,3**	**6,4**	**(6,3)**	**(0,7)**	**52,6**
Income tax								(11,1)
Net profit (loss) for period								**41,5**
Normalizing adjustments:								
Purchase price allocation (PPA)								0,7
Foreign exchange differences								0,7
Loan valuation using amortized cost method								1,0
Impairment losses								-
Net result on sale of assets ***								-
Adjusted net profit								**43,9**

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

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%*
Selling expenses	**-**	**-**	**-**	**(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) 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 the sale of assets								-
Adjusted net profit								**(11,3)**
Change of adjusted EBITDA yoy	**13,4**	**(0,0)**	**1,1**	**67,7**	**(0,0)**	**(4,3)**	**-**	**77,9**

*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 2023

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2023

ASSETS

	30.09.2023	31.12.2022
I. Non-current assets	**4 317 039**	**3 946 486**
1. Tangible fixed assets	3 181 836	3 030 175
2. Intangible assets	9 389	11 785
3. Subordinated entities goodwill	157 338	157 338
4. Financial assets	149 457	324 965
5. Financial assets measured using the equity method	784 193	394 093
6. Long term receivables	1 987	1 987
7. Deferred income tax assets	30 689	25 755
8. Prepayments and accrued income	2 150	388
II. Current assets	**1 562 976**	**2 300 848**
1. Inventories	100 027	111 623
2. Trade receivables	285 126	360 804
3. Income tax receivable	11 921	9 338
4. Other short term receivables	279 835	100 214
5. Prepayments and accrued income	12 454	12 673
6. Short term financial assets	224 308	837 504
7. Cash and equivalent	649 305	868 692
Total assets	**5 880 015**	**6 247 334**

EQUITY AND LIABILITIES

	30.09.2023	31.12.2022
I. Shareholders' equity	**3 217 498**	**3 083 035**
Equity attributable to the shareholders of the parent company	**3 217 498**	**3 083 035**
1. Share capital	133 604	133 604
2. Share premium account	1 515 929	1 515 929
3. Reserve capital from option measurement	13 207	13 207
4. Other capital reserves	970 622	924 645
5. Retained profit (loss)	375 373	335 778
6. Net profit	208 773	159 918
7. F/X translation differences	(10)	(46)
II. Long term liabilities	**1 720 038**	**1 784 771**
1. Bank loans and borrowings	1 331 513	1 292 699
2. Deferred income tax provision	99 074	116 797
3. Provisions	23 262	23 398
4. Accruals and deferred income	46 842	40 512
5. Lease liabilities	173 968	160 765
6. Futures and forward contracts measurement	22 838	140 762
7. Other liabilities	22 541	9 838
III. Short term liabilities	**942 479**	**1 379 528**
1. Bank loans and borrowings	224 556	216 743
2. Trade payables	118 106	171 983
3. Income tax payable	3 900	9 600
4. Lease liabilities	26 804	22 871
5. Futures and forward contracts measurement	182 068	747 321
6. Other liabilities	325 151	64 744
7. Provisions	7 095	6 254
8. Accruals and deferred income	54 799	140 012
Total equity and liabilities	**5 880 015**	**6 247 334**

(PLN k)

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
for a 9-month period ended on 30 September 2023

	Note	For 9 months ended 30.09.2023	For 9 months ended 30.09.2022	For 3 months ended 30.09.2023 unaudited	For 3 months ended 30.09.2022 unaudited
Revenues from contracts with clients	4.1	4 094 525	5 124 546	1 246 767	1 325 599
Other revenues	4.1	(15 034)	18 584	(5 326)	4 621
Sales revenues	4.1	**4 079 491**	**5 143 130**	**1 241 441**	**1 330 220**
Cost of goods sold	4.2	(3 588 387)	(4 809 502)	(1 104 166)	(1 265 093)
Gross sales profit		**491 104**	**333 628**	**137 275**	**65 127**
Other operating revenues	4.3	11 050	4 364	3 498	1 461
Selling expense	4.2	(73 222)	(85 268)	(23 696)	(30 645)
General overheads	4.2	(114 593)	(85 146)	(40 137)	(31 597)
Auction price settlement		(6 853)	-	(6 220)	-
Other operating expenses	4.4	(6 536)	(4 304)	(1 367)	(990)
Financial income	4.5	32 461	30 197	9 473	13 549
Financial costs	4.6	(71 539)	(57 793)	(26 267)	(20 064)
Profit before tax		**261 872**	**135 678**	**52 559**	**(3 159)**
Income tax	4.11	(53 099)	(27 675)	(11 073)	377
Net profit		**208 773**	**108 003**	**41 486**	**(2 782)**
Net profit attributed to:		**208 773**	**108 003**	**41 486**	**(2 782)**
Parent company shareholders		208 773	108 003	41 486	(2 782)
Non-controling shareholders		-	-	-	-
Earnings per share:					
– basic earnings (loss) for period attributable to parent company shareholders		3,13	1,88	0,62	-0,05
– diluted earnings (loss) for period attributable to parent company shareholders		3,13	1,88	0,62	-0,05

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for a 9-month period ended on 30 September 2023

	For 9 months ended 30.09.2023	For 9 months ended 30.09.2022	For 3 months ended 30.09.2023 unaudited	For 3 months ended 30.09.2022 unaudited
Net profit for period	**208 773**	**108 003**	**41 486**	**(2 782)**
Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met				
Cash flow hedges	(74 346)	103 927	(15 549)	(4 203)
F/X translation differences	36	(89)	(18)	(20)
Other net comprehensive income	**(74 310)**	**103 838**	**(15 567)**	**(4 223)**
COMPREHENSIVE INCOME FOR PERIOD	**134 463**	**211 841**	**25 919**	**(7 005)**
Comprehensive income for period:	134 463	211 841	25 919	(7 005)
Parent company shareholders	134 463	211 841	25 919	(7 005)

(PLN k)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for a 9-month period ended on 30 September 2023

	Noty	For 9 months ended 30.09.2023	30.09.2022
A.Cash flow from operating activities			
I.Profit (loss) before tax		**261 872**	**135 678**
II.Total adjustments		**222 579**	**(5 517)**
1.Depreciation		118 728	80 786
2.Foreign exchange losses (gains)		(29)	201
3.Interest and profit shares (dividends)		58 408	38 694
4.Losses (gains) on investing activities		3 290	7 909
5. Income tax		(66 458)	(65 818)
6.Changes in provisions		704	1 261
7.Changes in inventory		11 569	(21 283)
8.Changes in receivables		605 756	(1 305 044)
9.Changes in liabilities, excluding bank loans and borrowings		(465 180)	1 232 584
10.Changes in accruals		(46 081)	27 646
11. Other adjustments		1 872	(2 453)
III.Net cash flows from operating activities (I+/-II)		**484 451**	**130 161**
B.Cash flows from investing activities			
I. Cash in		**242**	**2 514**
1. Disposal of intangibles and tangible fixed assets		242	48
2. Cash from disposal/liquidation/acquisition of subsidiary		-	2 466
II.Cash out		**677 633**	**601 686**
1. Acquisition of tangible fixed assets		285 267	480 290
2. For financial asstes, including:		392 366	121 396
a) acquisition of financial assets		392 366	121 201
b) long term loans given		-	195
III.Net cash flows from investing activities (I-II)		**(677 391)**	**(599 172)**
C.Cash flows from financing activities			
I.Cash in		**208 876**	**1 307 128**
1. Cash in from the issue of shares		-	1 003 859
2.Loans and borrowings		208 876	303 269
II.Cash out		**235 320**	**439 500**
1.Repayment of loans and borrowings		163 028	388 090
2.Lease payables		14 748	8 451
3.Interest		57 265	42 705
4.Other financial expenses		279	254
III.Net cash flows from financing activities (I-II)		**(26 444)**	**867 628**
D.Total net cash flows (A.III+/-B.III+/-C.III)		**(219 384)**	**398 617**
E.Increase/decrease in cash in the balance sheet, including:		**(219 387)**	**398 618**
- change in cash due to f/x differences		(3)	1
F.Cash at beginning of period		**868 692**	**387 366**
G.Cash at end of period, including:		**649 305**	**785 984**
- restricted cash	4.7	90 352	33 956

(PLN k)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for a 9-month period ended on 30 September 2023

	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 2023	**133 604**	**1 515 929**	**13 207**	**924 645**	**495 696**	**-**	**(46)**	**3 083 035**	**3 083 035**
Comprehensive income for reporting period									
- Net profit (loss) for reporting period	-	-	-	-	-	208 773	-	208 773	208 773
- Other comprehensive income for period	-	-	-	(74 346)	-	-	36	(74 310)	(74 310)
Transactions with owners of the parent recognized directly in equity									
- Alocation of profit/loss	-	-	-	120 323	(120 323)	-	-	-	-
As at 30 September 2023	**133 604**	**1 515 929**	**13 207**	**970 622**	**375 373**	**208 773**	**(10)**	**3 217 498**	**3 217 498**

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									
0 EUR	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**

(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 2023, as well as the comparable period since 1 January until 30 September 2022 and in the case of the balance sheet - as at 31 December 2022 In accordance with the applicable laws, these interim condensed consolidated financial statements for the 9-month period ended on 30 September 2023 and the comparative data for the 9-month period ended on 30 September 2022 have not been subject to a review by an independent auditor, while the comparative data for the financial year ended 31 December 2022 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 foreseeable future, that is for at least 12 months after the reporting date, i.e. after 30 September 2023.

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 2022 published on 30 March 2023 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 2016, a new support system for RES was introduced in the form of auctions. The date of each auction is announced by the ERO President at least 30 days before the scheduled auction. Each participant, i.e. the potential generator, submits a bid that includes the amount of electricity specified in MWh and the price in PLN per MWh, at which the participant agrees to settle the electricity on the basis of a quasi-contract for difference. Support is awarded to generators offering the lowest price in the auction until the available energy volume and value in the auction are exhausted. The bids of the successful generators may not exceed, in aggregate, 100% of the volume and value of electricity specified in the auction announcement and 80% of the volume of electricity covered by all bids. This is meant to ensure competitiveness of the auction. The support period is 15 years from the date of the first sale of electricity in the auction system following the date of winning the auction in question. The successful generator in the auction sells the generated energy on the energy market, but is entitled to cover the so-called "negative balance." According to the RES Act, the negative balance is calculated as the difference between the net value of energy sales in a given month calculated on the basis of exchange electricity prices, and the net value of such energy calculated by adopting the prices specified by the generator in the bid that won the auction. Such price is subject to annual adjustment by the inflation rate determined by the Central Statistical Office. Funds to cover the negative balance are paid by the Settlement Authority (Zarządca Rozliczeń) - a special purpose vehicle of the State Treasury.

The balance may also be positive, particularly if market energy prices rise. In such event, the generator is obligated to return the positive balance to the Settlement Authority. Any positive balance is settled on an ongoing (monthly) basis against a future negative balance. The balance is settled within three-year balance settlement periods, with a deadline for its return by 30 June of the following year - this means that if the total balance is positive at the end of a given settlement period, the generator will be obliged to pay the value of the positive balance to the Settlement Authority.

The generator that won the auction is obligated to settle the performance of its obligation to sell electricity under the auction system. Settlement of the volume of energy is made in a given support period within three-year settlement periods and at the end of the support period. If a generator fails to sell at least 85% of the volume specified in the auction system in a given settlement period, it is subject to a fine.

As of 2023, the Group began recognizing settlements under the abovementioned system in accordance with IAS 20, in the item "Settlement of auction price" in the Consolidated Income Statement and in the item Accruals in the Consolidated Balance Sheet.

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:

	2023-09-30	2022-12-31	2022-09-30
USD	4.3697	4.4018	4.9533
EUR	4.6356	4.6899	4.8698
GBP	5.3464	5.2957	5.5560

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.

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EBITDA and Adjusted EBITDA

	For 9 months ended		For 3 months ended (unaudited)	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit before tax	261 872	138 837	52 559	(3 159)
Fianancial revenues	(32 461)	(16 648)	(9 473)	(13 549)
Financial costs	71 539	37 729	26 267	20 064
Depreciation/Amortization	118 728	51 174	41 574	29 612
Development - related impairment loss	101	216	-	-
EBITDA	**419 779**	**211 308**	**110 927**	**32 968**
Adjusted EBITDA	**419 779**	**211 308**	**110 927**	**32 968**

Adjusted net profit (loss) attributed to parent shareholders

	For 9 months ended		For 3 months ended (unaudited)	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
NET PROFIT attributed to parent shareholders	**208 773**	**108 003**	**41 486**	**(2 782)**
Unrealized foreign exchange net (gains)/losses	233	(3 328)	689	(10 698)
(Income)/Cost from measurement of long-term borrowings	2 496	699	984	113
Development - related impairment loss	101	280	-	64
Purchase price allocation:				
Depreciation/Amortization	2 127	2 127	709	1 995
Tax	(38)	(38)	(13)	(14)
Adjusted NET PROFIT attributed to parent shareholders	**213 692**	**107 743**	**43 855**	**(11 322)**

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 2022 published on 30 March 2023 Definitions of the foregoing indices applied by other entities may be different from those used by the Group.

3. Operating segments

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

- Onshore wind farms – development, construction and maintenance of facilities generating electrical energy from onshore wind,
- Photovoltaics – development, construction and maintenance of facilities generating electrical energy using the solar radiation,
- Offshore wind farms – development, construction and maintenance of facilities generating electrical energy from wind at sea,
- Gas and clean fuels - development, construction and maintenance of facilities generating electrical energy in gas cogeneration and development work in the manufacture of hydrogen and generation of energy from hydrogen based on the renewable sources originating energy,
- Trading and sales - commercial business in terms of trading in electricity and certificates of origin, other energy market instruments, as well as sale of electricity to industrial customers and individual end users, provision of market access services to energy generators using renewable energy sources, as well as sale and assembly solar panels and heat pumps,
- Distribution and eMobility - provision of electrical energy and gas distribution and sale services to commercial, industrial and household customers, as well as the development of e-mobility.

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

Company's cash is disclosed under Unallocated Assets.

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

For 9 months ended 30.09.2023	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	411 956	15 399	-	153 067	3 367 903	133 299	12 901	-	4 094 525
Other revenues	-	-	-	(15 111)	77	-	-	-	(15 034)
Total revenues	411 957	15 399	-	137 956	3 367 980	133 299	12 900	-	4 079 491
Net sales profit (loss)	**246 792**	**9 052**	**-**	**5 159**	**215 703**	**13 942**	**2 583**	**(2 127)**	**491 104**
Selling costs	-	-	-	-	(73 222)	-	-	-	(73 222)
General overheads	(8 608)	(919)	-	(5 469)	(52 574)	(6 569)	(40 454)	-	(114 593)
Interest income/(expense)	(42 707)	(2 683)	-	832	(11 229)	(4 280)	27 409	-	(32 658)
Other financial revenue/(expense)	(5 964)	(960)	-	232	(2 961)	(258)	3 491	-	(6 420)
Other operating revenue/(expense)	221	(728)	-	(1 619)	(110)	542	(645)	-	(2 339)
Profit/loss before tax	**189 734**	**3 762**	**-**	**(865)**	**75 607**	**3 377**	**(7 616)**	**(2 127)**	**261 872**
Income tax	-	-	-	-	-	-	(53 137)	38	(53 099)
Net profit/loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**208 773**
EBITDA *)	326 868	10 379	-	5 035	96 814	14 515	(33 832)	-	419 779
Segment assets	3 334 326	157 258	784 193	187 056	881 924	242 908	292 350	-	5 880 015
Segment liabilities	1 672 352	64 496	-	30 906	718 374	126 353	50 036	-	2 662 517
Depreciation/Amortization	88 362	2 974	-	6 963	7 016	6 600	4 686	2 127	118 728

*) EBITDA - definition in Note 2

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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

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For 9 months ended 30.09.2023		RES Generation		Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Total
		On shore wind farms	Photovoltaics					
- revenue from sale and distribution of electricity	over time	324 549	15 380	104 706	2 535 920	126 432	-	3 106 987
- revenue from certificates of orgin	over time	87 396	-	-	41 928	-	-	129 324
- revenue from sale of heat	point in time	-	-	30 258	-	-	-	30 258
- revenue from consulting and advisory services	over time	-	-	-	-	-	12 559	12 559
- revenue from lease and operator services	over time	-	-	-	-	1 790	-	1 790
- revenue from sale and distribution of gas	over time	-	-	-	539 649	3 343	-	542 992
- revenue from sale of merchandise	over time	-	-	-	-	1 274	-	1 274
- revenue from lease	over time	12	4	-	-	5	340	361
- revenue from the capacity market and blackstart services	point in time	-	-	18 102	-	-	-	18 102
- revenue from the solar panels and heat pomps instalation	over time	-	-	-	236 098	-	-	236 098
- other	over time	-	15	1	14 308	455	1	14 780
Total revenue from clients		**411 957**	**15 399**	**153 067**	**3 367 903**	**133 299**	**12 900**	**4 094 525**
- revenues from the valuation of futures contracts	over time	-	-	(15 111)	(12 338)	-	-	(27 449)
- revenues from CO2 emission allowances	point in time	-	-	-	12 415	-	-	12 415
Total other revenue		**-**	**-**	**(15 111)**	**77**	**-**	**-**	**(15 034)**
Total sales revenue		**411 957**	**15 399**	**137 956**	**3 367 980**	**133 299**	**12 900**	**4 079 491**

For 9 months ended 30.09.2022		RES Generation		Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Total
		On shore wind farms	Photovoltaics					
- 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**

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4. Other notes

4.1 Sales revenues

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- revenue from sale and distribution of electricity	3 106 987	3 465 480	952 513	1 094 747
- revenue from certificates of orgin	129 324	839 841	33 513	24 204
- revenue from sale of heat	30 258	23 499	6 725	7 659
- revenue from consulting and advisory services	12 559	6 082	4 823	2 052
- revenue from lease and operator services	1 790	(476)	440	464
- revenue from sale and distribution of gas	542 992	469 365	156 877	92 821
- revenue from sale of merchandise	1 274	109	828	57
- revenue from lease	361	254	186	77
- revenue from the capacity market and blackstart services	18 102	17 807	6 103	6 034
- revenue from the solar panels and heat pomps instalation	236 098	300 121	77 737	98 777
- other	14 780	2 464	7 022	(1 293)
Total revenue from clients	**4 094 525**	**5 124 546**	**1 246 767**	**1 325 599**
- revenues from the valuation of futures contracts	(27 449)	11 384	(15 820)	4 621
- revenues from CO2 emission allowances	12 415	7 200	10 494	-
Total other revenue	**(15 034)**	**18 584**	**(5 326)**	4 621
Total sales revenue	**4 079 491**	**5 143 130**	**1 241 441**	**1 330 220**

4.2 Cost according to type

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- depreciation	118 728	80 786	41 574	29 612
- materials and power consumption	100 868	198 836	28 818	73 422
- third party services	182 138	178 775	61 516	58 270
- taxes, duties and fees	94 190	16 673	15 151	5 155
- salaries	79 775	61 683	27 969	21 367
- social security and other benefits	13 624	9 838	4 156	3 055
- other cost by type	4 301	3 240	1 761	1 150
Total cost by type	**593 624**	**549 831**	**180 945**	**192 031**
- marchandise and materials sold (+)	3 179 801	4 416 464	983 436	1 131 960
- selling certificates of orgin	87 395	78 324	26 097	18 292
- income from granted certificates of orgin	(84 618)	(64 703)	(22 479)	(14 948)
- selling expenses (-)	(73 222)	(85 268)	(23 696)	(30 645)
- general overheads (-)	(114 593)	(85 146)	(40 137)	(31 597)
Total cost of goods sold	**3 588 387**	**4 809 502**	**1 104 166**	**1 265 093**

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4.3 Other operating revenues

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- reversal of impairment losses, including:	150	-	112	-
- expected credit loss	150	-	112	-
- reversal of provisions, including:	-	90	-	90
- other	-	90	-	90
- other, including:	10 900	4 274	3 386	1 371
- compensation and additional payments	543	228	496	160
- grant settelment	2 798	2 422	832	827
- gains on disposal of non financial fixed assets	294	192	249	158
- reinvoicing	115	70	59	34
- other	7 150	1 362	1 750	192
Total other operating revenues	**11 050**	**4 364**	**3 498**	**1 461**

The item "other" includes real estate tax refund relating to previous years in the amount of PLN 3,133 thousand.

4.4 Other operating expenses

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- asset impairment losses, including:	2 232	924	50	(59)
- expected credit loss	2 131	644	50	(123)
- non-current fixed assets	101	280	-	64
- other, including:	4 304	3 380	1 317	1 049
- penalties, fines compensation payable	711	108	30	10
- donation	1 230	2 067	548	513
- loss on disposal of non-financial fixed assets	1	81	-	81
- complaints,compensation	-	585	-	300
- repair costs covered by compensation	-	131	-	-
- other	2 362	408	739	145
Total other operating costs	**6 536**	**4 304**	**1 367**	**990**

4.5 Financial income

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- financial income from interest on deposit and loans	29 655	28 258	8 977	12 511
- f/x differences, including:	1 277	624	(141)	502
- unrealized	329	5 221	(439)	5 111
- realized	948	(4 597)	298	(4 609)
- valuation of financial liablities	-	216	(5)	162
- other surety - related fees	1 408	593	686	317
- other	121	506	(43)	57
Total financial revenue	**32 461**	**30 197**	**9 474**	**13 549**

4.6 Financial expenses

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- interest expenses	62 313	47 175	22 088	17 205
- f/x differences, including:	1 148	1 803	812	(183)
- unrealized	617	1 112	412	(8 097)
- realized	531	691	400	7 914
- commission an other fees	4 610	5 628	1 819	1 981
- measurement of financial liabilities *)	3 081	1 079	1 209	302
- other	387	2 108	339	759
Total financial cost	**71 539**	**57 793**	**26 267**	**20 064**

*) refers to bank loans measured at amortized cost

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4.7 Cash flows

Restricted cash	For 9 months ended 30.09.2023	30.09.2022
- cash frozen for loan repayment	54 217	29 498
- frozen cash for deposit	27 295	-
- frozen cash - split payment	8 603	4 219
- frozen cash - social benefit fund	237	239
Total	**90 352**	**33 956**

4.8 Goodwill

As at 30 June 2023, goodwill amounts to PLN 157 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 88 m - trading and sales - including the companies Polenergia Fotowoltaika, Polenergia Pompy Ciepła and Zielony Ryś ("Photovoltaics Group").

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 30.09.2023	30.09.2022
Result of measurement of derivatives	(27 449)	11 384

Financial instrument category

	30.09.2023	Total
	Level 2	Total
Short term assets	191 519	191 519
Long term assets	23 572	23 572
Total	**215 091**	**215 091**
	Level 2	Total
Short term liabilities	182 068	182 068
Long term liabilities	22 838	22 838
Total	**204 906**	**204 906**
Net fair value	**10 185**	**10 185**

Impact on profit/loss	30.09.2023	30.09.2022
Market price increase by 1%	23	59
Market price decrease by 1%	(23)	(59)

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

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

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

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

Fair values of other financial assets and liabilities

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

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

	Category	Carrying amount		Fair Value	
		30.09.2023	31.12.2022	30.09.2023	31.12.2022
Financial asstes					
Futures and forward contracts	Level 2	215 091	926 564	215 091	926 564
Derivative instruments	Poziom 2	156 954	233 642	156 954	233 642
Financial liabilities					
Bank loans	n/a	1 556 069	1 509 442	1 556 069	1 509 442
Derivative instruments	Level 2	24 308	9 375	24 308	9 375
Futures and froward contracts	Level 2	204 906	888 083	204 906	888 083

Security

As at 30 September 2023, the Group recognized PLN -74,346 k (30 September 2022: PLN 103,927 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 2023, 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	27 160	0,52%	IRS
29.06.2026	17 287	0,56%	IRS
26.02.2027	6 563	1,25%	IRS
26.02.2027	1 100	1,25%	IRS
15.12.2027	93 113	0,75%	IRS
29.03.2028	113 610	0,79%	IRS
18.12.2028	47 600	5,19%	IRS
22.12.2031	8 570	2,60%	IRS
21.06.2033	8 880	5,67%	IRS
12.12.2033	25 000	6,71%	IRS
12.12.2033	25 000	6,71%	IRS
13.03.2034	138 486	6,65%	IRS
30.06.2034	11 814	0,89%	IRS
11.06.2035	138 554	1,10%	IRS
10.09.2035	413 529	1,20%	IRS
31.12.2035	17 272	2,39%	IRS
11.03.2036	104 295	2,22%	IRS
Total	**1 197 833**		

Cash flow hedges

Maturity date of hedging instrument	Hedged value	Exchange rate hedged	Instrument
2023.Q4	4 180 EUR	4,5751	Forward
Total	**4 180 EUR**		

4.10 Trade creditors and other receivables

As at 30 September 2023 impairment losses on trade receivables deemed uncollectible increased up to PLN 20,511 k compared to PLN 18,917 k as at 31 December 2022.

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

	Total	Step 2	Step 3
Gross value as at 1.1.2023	379 721	317 035	62 686
Arisen	243 717	243 717	-
Paid	(317 803)	(317 344)	(459)
Gross value as at 31.12.2023	305 635	243 408	62 227

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The payment default rates and the calculation of credit losses as at 30 September 2023 and as at 31 December 2022 have been presented in the table below:

		Receivables from individual customers			
	Total	Current 0-30 days	30-60 days	60-90 days	>90 days
30.09.2023	3 822	696	696	146	2 284
Expected credit losses	4 747	-	-	-	4 747
31.12.2022	60 580	54 769	939	239	4 633
Expected credit losses	4 291	-	-	-	4 291

		Receivables from corporate customers			
	Total	Current 0-30 days	30-60 days	60-90 days	>90 days
30.09.2023	281 302	241 006	669	195	39 432
Expected credit losses	15 787	13 214	-	-	2 573
31.12.2022	300 224	260 893	230	- 35	39 136
Expected credit losses	14 627	13 214	-	-	1 413

In connection with the termination of the adjustment period of the Company Elektrociepłownia Nowa Sarzyna Sp. z o.o. (hereinafter: ENS) on the basis of the Act on principles of covering costs incurred by generators in connection with early termination of long-term capacity and electricity sale agreements dated 29 June 2007 (the "LTC Termination Act"), lasting from 1 April 2008 to 1 June 2020 (i.e. to the date on which the long-term electricity sale agreement would have expired had it not been terminated early by ENS due to the entry into force of the LTC Termination Act), the President of the Energy Regulatory Office made a final settlement in 2021 of stranded costs arising in the Company's assets during the adjustment period. In his decision issued on 31 August 2021, the President of the Energy Regulatory Office determined the amount of the final settlement of stranded costs payable to the ENS, as additional funds to those already paid, of PLN 3,758 k. As the Company did not share the interpretation of certain provisions of the Act on termination of long term contracts applied by the President of the Energy Regulatory Office in the a/m decision, the Company appealed against it to the District Court in Warsaw, - the Court of Competition and Consumer Protection. The disputed value is PLN 13.214 thousand, for which ENS established an allowance under receivables in 2021 . On 29 September 2023, ENS received a notice of a remote hearing in connection with the action filed by ENS against the ERO President to determine the amount of the final adjustment of stranded costs. A court hearing held on November 15, 2023. The verdict is scheduled to be announced on November 23, 2023.

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4.11 Effective tax rate

	For 9 months ended	
	30.09.2023	30.09.2022
Income tax charged to the profit and loss account, including	**53 099**	**27 675**
Current tax	58 175	40 160
Deferred tax	(5 076)	(12 485)
Profit (Loss) before tax	**261 872**	**135 678**
Tax on gross profit at effective tax rate of 19%	49 756	25 779
Adjustments to prior years current income tax	436	68
Adjustments to prior years differed income tax	(5)	-
Non-deductible costs:	**3 345**	**1 347**
- permanent differences	981	581
- temporary difference on which no tax asset/provision is established	2 364	766
Non-taxable income:	**(433)**	**481**
- other	(433)	481
Income tax in the profit and loss account	**53 099**	**27 675**

4.12 Changes in provisions

Change in short term and long term provisions

	30.09.2023	31.12.2022
Provisions at beginning of the period	**29 652**	**27 027**
- recognition of provisions	1 666	4 611
- reversal of provisions	(961)	(1 986)
Provisions at end of the period	**30 357**	**29 652**

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5. Interest bearing bank loans and borrowings

Polenergia Obrót S.A.

On 18 January 2023, Polenergia Obrót S.A. signed an annex to the facility agreement entered into with Deutsche Bank Polska S.A. on 10 November 2021. As a result of the signing of the annex, the credit limit increased to PLN 200,000 thousand with the possibility of using it up to PLN 100,000 thousand as overdraft and PLN 150,000 thousand as bank guarantee.

In addition, the annex extended the date until which the Company may extend the 12-month loan periods until 10 January 2025.

On 30 September 2023, another annex signed by Polenergia Obrót S.A. to the facility agreement with PEKAO S.A. on 18 August 2015 became effective, extending the final repayment date of the overdraft facility granted under the multi-purpose credit limit until 30 September 2024, while the maximum period of the requested guarantees under such limit may not exceed 30 September 2027.

Polenergia Dystrybucja Sp. z o.o.

On 23 February 2023, Polenergia Dystrybucja Sp. z o.o. signed an annex to the loan agreement with ING Bank Śląski S.A., based on which the Company was granted a term loan and a working capital loan. The annex extended the final repayment date of the working capital loan until 30 November 2023.

Polenergia Farma Wiatrowa Rudniki Sp. z o.o.

On 28 February and 24 March 2023, Polenergia Farma Wiatrowa Rudniki Sp. z o.o. signed annexes to the agreement for the term loan granted to it on 12 May 2021 by MBANK S.A. to finance the construction of a photovoltaic facility. The annexes were extending the final completion dates of the project's construction phase to 14 April and finally to 30 April 2023. According to the annexes, certain conditions for obtaining formal confirmation by the bank of the completion of this phase have also been changed. In addition, the term loan repayment schedule was amended, as a result of which the final repayment date was extended to 21 December 2037. Also, the requirements regarding the date of joining the auction system were changed.

Polenergia Farma Fotowoltaiczna 9 Sp. z o.o.

On 30 January, 14 February, 13 March and 24 March 2023, Polenergia Farma Fotowoltaiczna 9 Sp. z o.o. signed annexes to the agreement for the term loan granted to it by MBANK S.A. pursuant to the loan agreement dated 12 May 2021 extending the loan availability date finally to 30 April 2023. According to the annexes, certain conditions have also been changed for obtaining formal confirmation by the bank of the completion of this phase which is the prerequisite of releasing the refinancing loan.

Polenergia Farma Wiatrowa 17 Sp. z o.o.

On 20 April 2023, Polenergia Farma Wiatrowa 17 Sp. z o.o. signed an amending and consolidating annex to the facility agreement executed on 22 October 2019 with ING Bank Polska S.A. for the construction of a photovoltaic farm. As a result of the execution of said annex, the repayment schedule for the construction tranche of the loan was changed, the date and certain conditions for obtaining formal confirmation from the bank of the completion of the construction phase of the project financed under this tranche were modified.

Polenergia Obrót 2 Sp. z o.o.

On 18 May 2023, Polenergia Obrót 2 Sp. z o.o. signed the facilities agreement with a syndicate of banks including mBank S.A. (also acting as the facility agent and the security agent), Powszechna Kasa Oszczędności Bank Polski S.A. and Bank Polska Kasa Opieki S.A. for the following:

- an investment loan to finance the costs of a photovoltaic farm project in the maximum amount of PLN 90,000 thousand, with availability period ending on 29 February 2024 and a final repayment date of 16 December 2038;

- a revolving facility for financing VAT on the aforementioned project costs capped at PLN 27,000 thousand with availability period ending on 31 May 2024 and a final repayment date on 31 May 2024.

The repayment of both loans is secured by pledges on accounts, assets and shares, project support and subordination agreements, a statement of submission to collection and a surety by Polenergia S.A.

Polenergia S.A.

On 5 June 2023, Polenergia S.A. obtained a revolving working capital loan to finance, without limitation, the development and construction of projects by the group's special purpose vehicles, capped at PLN 300,000 thousand, with the final repayment date falling on the third anniversary of the signing of the agreement, with possible extension. The loan can be disbursed in tranches. The loan is secured by pledges on accounts with a power of attorney and a statement of submission to execution.

Polenergia Elektrownia Nowa Sarzyna Sp. z o.o.

On 26 April 2019 Polenergia Elektrownia Nowa Sarzyna Sp. z o.o. entered into an annex to the revolving loan facility agreement executed on 29 July 2011 with ING Bank Śląski S.A. Such annex extended the final repayment date of the loan until 31 July 2024.

In the period ended 30 September 2023, repayments of investment loans took place in wind farms and a PV farm, totaling PLN 107,242,5 k, of which PLN 42,062.4 k were made as mandatory loan prepayments.

Polenergia Dystrybucja Sp. z o.o. in the same period made repayments of an investment loan in the total amount of PLN 3,900 k.

By 30 September 2023, a total of PLN 145,194.6 k was drawn down by the group's companies to finance the construction of wind farms and photovoltaic farms, while a total of PLN 13,470 k was drawn down by Polenergia Dystrybucja Sp. z o.o. to finance grid expansion.

Working capital loans debt balance: overdrafts and revolving facilities to finance VAT on the investment expenditure in the group decreased in total by PLN 1,635.22 k.

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

On 3 April 2023, the Company's Extraordinary General Meeting of Shareholders passed a resolution to increase the Company's share capital through the issuance of new ordinary bearer shares with pre-emptive rights, a public offering of new issue shares, determining 14 September 2023 as the day of pre-emptive rights to new issue shares, dematerialization and applying for admission and introduction of pre-emptive rights, rights to shares and new issue shares to trading on the regulated market operated by the Warsaw Stock Exchange, and amending the Company's Statutes, as well as authorizing the Supervisory Board to determine the consolidated text of the Company's Statutes (the "Resolution of the General Meeting"). Pursuant to the Resolution of the General Meeting and the Company's prospectus approved by the Financial Supervision Authority on 11 September , the Company performed an issue and public offering of 10,416,667 AB series common bearer shares of the Company (the "New Shares"). In connection with the subscriptions for New Shares submitted by investors between 21 September and 28 September 2023, investors subscribed for, and the Company's Management Board allotted, all of the New Shares offered (i.e., 10,416,667 New Shares). The New Shares were offered at an issue price of PLN 72.00, and the total net proceeds from the issuance of the New Shares (i.e. excluding the issue costs incurred by the Company) will amount to PLN 750,000,024.00. The amendment to the Company's Statutes and the increase in the Company's share capital by the registration court was registered on 6 November 2023. Following such registration the share capital of the Company amounts to PLN 154,437,826.00 divided into 77,218,913 shares of the par value of PLN 2.00 each.

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 2023.

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

On 4 January 2023, ERGO HESTIA S.A., acting to order of ONDE S.A., issued a Guarantee for the proper removal of defects or faults for the works performed during the construction of the Dębice/Kostomłoty Wind Farm. The guarantee was issued up to the maximum amount of PLN 1,973.8 k and will expire on 18 October 2027.

On 12 January 2023, ERGO HESTIA S.A., acting to order of ONDE S.A., issued a Guarantee for the proper removal of defects or faults for the works performed during construction of the Szymankowo Wind Farm. The guarantee was issued up to the maximum amount of PLN 2,339.5 k and will expire on 9 September 2026.

On 25 January 2023, Inter Risk TU S.A. issued an insurance performance bond to order of P&Q Sp. z o.o. for Polenergia Obrót 2 Sp. z o.o. up to PLN 8,364.5 k with an expiration date of 30 March 2024.

On 30 January 2023, FORTUM Marketing and Sales Polska S.A. extended until 26 July 2024 and increased the amount of the PCG guarantee issued for the obligations of Fortum Oyi under the contract with Polenergia Obrót S.A. to PLN 8,000 k.

On 6 February 2023, PEKAO S.A. issued another guarantee to order of Potęgowo Mashaw to secure energy supply SWAP transactions. As at 30 September 2023, Polenergia Obrót S.A. held 8 valid guarantees issued by PEKAO S.A. to order of Potęgowo Mashaw to hedge SWAPs for the supply of energy to Polenergia Obrót S.A. totaling PLN 5,028 k.

On 8 February 2023, Societe Generale Paris issued a Performance Bond to order of Hitachi Energy Group for the contract with the Offshore Wind Farm Bałtyk II Sp. z o.o. The performance bond was issued up to a maximum amount of EUR 726 k plus PLN 3,385.5 k plus SEK 3,136.4 k plus CHF 17.1 k with an expiration date of 31 May 2024.

On 8 February 2023, Societe Generale Paris issued a Performance Bond to order of Hitachi Energy Group for the contract with Bałtyk III Sp. z o.o. Offshore Wind Farm. The performance bond was issued up to a maximum amount of EUR 494.9 k plus PLN 3,810.5 k plus SEK 1,935.5 k plus CHF 15.7 k with an expiration date of 30 November 2024.

On 1 March 2023, PEKAO S.A. extended the validity of the guarantee issued to order of PKP Energetyka to secure obligations under the contract with Polenergia Obrót S.A. until 28 February 2025.

On 22 March 2023, ERGO HESTIA S.A., acting to order of ONDE S.A., issued a Guarantee for the removal of defects or faults for the works performed during construction of the Dębsk Wind Farm. The guarantee was issued up to the maximum amount of PLN 5,064.7 k and will expire on 22 March 2028.

On 30 April the performance bond issued by KUKE S.A. to order of Electrum to Polenergia Farma Wiatrowa Grabowo Sp. z o.o. expired.

On 30 May 2023, the guarantee issued by Skandinawiska Enskilda Banken AB S.A. O/Polska on behalf of Bilfinger Tebodin Poland Sp. z o.o. in favor of Polenergia Farma Wiatrowa Szymankowo Sp. z o.o. to secure the contract engineer's obligations expired.

On 20 June 2023, BGK issued a performance bond on behalf of PGNiG Obrót Detaliczny Sp. z o.o. for up to PLN 1,450.0 k with an expiration date of 30 June 2024.

On 3 August 2023, to order of Electrum Concreo So. z o.o., KUKE S.A. issued a guarantee for proper removal of defects and faults for the benefit of Polenergia Farma Wiatrowa Grabowo Sp. z o.o. up to the amount of PLN 4,265.6 k, and since 1 April 2024 - up to the amount of PLN 3,046.8 k expiring on 1 August 2028. On 18 September 2023, an annex was signed to the guarantee, which increased the maximum amounts to PLN 4,321.1 k and PLN 3,086.5 k, respectively.

On 16 August 2023, a PCG issued by EDF Renewables on behalf of EDF Trading Polska Sp. z o.o. in favor of Polenergia Obrót S.A. to secure energy trading liabilities expired.

9. 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

On 30 January 2023, Polenergia S.A. issued payment guarantees for the obligations of the company MFW Bałtyk II Sp. z o.o., in which it holds a 50% stake, in connection with a contract with Hitachi Energy Poland Sp. z o.o. The guarantee was issued up to a maximum amount of **EUR** 9.500 k. The guarantee expires on the earlier of: the date on which all guaranteed payments are paid, or the date on which the company obtains financing for the project, or within 3 months of the date on which the contract is effectively terminated, or within 45 months of the commencement of the milestone specified in the contract.

On 30 January 2023, Polenergia S.A. issued payment guarantees for the obligations of the company MFW Bałtyk III Sp. z o.o., in which it holds a 50% stake, in connection with a contract with Hitachi Energy Poland Sp. z o.o. The guarantee was issued up to a maximum amount of EUR 8.550 k. The guarantee expires on the earlier of: the date on which all guaranteed payments are paid, or the date on which the company obtains financing for the project, or within 3 months of the date on which the contract is effectively terminated, or within 45 months of the commencement of the milestone specified in the contract.

On 25 May 2023, Polenergia S.A. issued a payment guarantee for the obligations of the Company MFW Bałtyk II Sp. z o.o., in which it holds a 50% stake, in connection with the reservation contract executed with SIF NETHERLANDS B.V. up to a maximum amount of EUR 14,000 k with an expiration date of 15 November 2023.

On 25 May 2023, Polenergia S.A. issued a payment guarantee for the obligations of the company MFW Bałtyk III Sp. z o.o., in which it holds a 50% stake, in connection with the reservation contract executed with SIF NETHERLANDS B.V. up to a maximum amount of EUR 17,000 k with an expiration date of 15 November 2023.

10. 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 proprietary interest incorporated in certificates of origin for electricity generated in a renewable energy source − 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. On 17 November 2022 the Court of Appeal in Gdańsk issued a judgment in the case instituted by Amon against Polska Energia – Pierwsza Kompania Handlowa Sp. z o.o. in which the entire appeal filed by that company was dismissed. On 12 June 2023, Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. filed a cassation appeal against the judgment of the District Court in Gdańsk of 17 November 2022.

On 31 March 2023, Amon sp. z o.o. received a pleading from Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. in the proceedings instituted by Amon covering further claims of Amon arising from the non-performance of the abovementioned contracts by Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o., pending before the Regional Court in Gdańsk, by which pleading Polska Energia - Pierwsza Kompania Handlowa included a counterclaim demanding the award of PLN 61,576 k from Amon with statutory default interest, split as follows: (i) on the amount of PLN 55,691 k - from 31 March 2023 until the date of payment; (ii) on the amount of PLN 5,884 k - from the day immediately following the date of direct delivery of a copy of the counterclaim to Amon's counsel.

The amount of PLN 55.691 k represents liquidated damages demanded by Polska Energia – Pierwsza Kompania Handlowa allegedly on the basis of Art. 8 sec. 1 of the Agreement for the Sale of proprietary interest resulting from certificates of origin evidencing the generation of electricity in a renewable energy source - the Łukaszów Wind Farm, entered into on 23 December 2009 by Amon with Polska Energia – Pierwsza Kompania Handlowa and resulting allegedly from Amon's failure to meet the quantities of proprietary interest to be transferred in individual months commencing August 2019.

The amount of PLN 5.884 k represents compensation claimed by Polska Energia – Pierwsza Kompania Handlowa for Amon's alleged failure to perform, in the period from 18 November 2022 to 31 December 2022, under the Agreement for the sale of electricity generated at the Renewable Energy Source - the Łukaszów Wind Farm entered into by Amon with Polska Energia – Pierwsza Kompania Handlowa on 23 December 2009.

On 16 May 2023, the Regional Court in Gdańsk served Amon a decision dated 2 May 2023, which left the counterclaim of Polska Energia – Pierwsza Kompania Handlowa without proceeding any further. The basis for the order in question by the Regional Court in Gdansk is Article 204 sec. 1, second sentence of the Code of Civil Procedure, which stipulates that a counterclaim may be brought no later than in a statement of defense.

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.

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 taking of evidence, an expert opinion on the case was prepared and the parties may take their position on it within the time limit set by the Court. Certyfikaty Sp. z o.o. made an advance payment towards providing evidence based on the expert opinion

On 13 July 2021, Polenergia Farma Wiatrowa 1 Sp. z o.o. received a statement of claim for payment of compensation for non-contractual use of the property. 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. During the most recent hearing held on 13 March 2023 the parties to the proceedings were heard. On 30 June 2023, the District Court in Wąbrzeźno, in a closed session, issued a judgment ordering Polenergia Farma Wiatrowa 1 to pay the claimants the sum of PLN 18 k for non-contractual use of the property in the period from 13 March 2020 to 31 December 2021. The claimants demanded payment of PLN 52 k. Polenergia Farma Wiatrowa 1 in the course of the litigation did not dispute the validity of the claim, but rather the amount demanded. The amount awarded by the reflects the position presented by the respondent during the proceedings. The claimant appealed against the judgment to the Regional Court in Toruń.

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.
On 1 December 2022, Polenergia Obrót S.A. filed an action against JMP in the Regional Court in Warsaw, demanding payment of the amount of PLN 40,853 k with statutory default interest applicable to commercial transactions accruing from the date of filing the action until the date of payment. The amount of the claim includes JMP's unpaid energy invoices worth PLN 39,528 k and the amount of PLN 1,324 k of accrued interest for the period up to the date of filing the action. The difference in the value of the asserted claims compared to the amounts covered by JMP's set-off statement results from settlement adjustments made in the meantime in connection with updating the metering data and from the submission by Polenergia Obrót S.A of set-off statements. In September 2023, JMP delivered its statement of defense to Polenergia Obrót S.A. According to the claimant company, the content of the statement of defense, nor the arguments presented in JMP's subsequent pleading, do not affect the previous assessment of the legitimacy of claim of Polenergia Obrót S.A. Until the date of this report, the initial hearing had not yet been scheduled.

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.

Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. ("ENS") challenged the decision of the President of the Energy Regulatory Office with respect to the final settlement of stranded costs under the Act on the principles of coverage of costs arising at generators in connection with early termination of long-term agreements for the sale of capacity and electricity (the "LTC Termination Act"). In his decision the

President of the Energy Regulatory Office determined the amount of the final settlement of stranded costs payable to the ENS, as additional funds to those already paid, of PLN 3,758 k. As ENS does not share the interpretation of selected provisions of the LTC Termination Act, the company appealed against the decision of the President of the Energy Regulatory Office to the Court of Competition and Consumer Protection in Warsaw, demanding an increase in the amount of funds due to ENS. The disputed value is PLN 13.214 k, for which Company established an allowance under receivables A court hearing held on November 15, 2023. The verdict is scheduled to be announced on November 23, 2023.

W On 6 December 2021, the President of the Antimonopoly Office ("UOKiK") launched investigation with respect to the company Polenergia Fotowoltaika S.A. with registered office in Warsaw (the "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.
In the course of the proceedings, UOKiK requested twice that the Company 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.
Due to the nature of Polenergia Fotowoltaika S.A.'s business, since December 2022 the Company has filed 77 actions for payment in pursuit of receivables under contracts between the Company and its customers. As at the date of this report, the total value of the asserted claims is ca. PLN 340 k. Due to the nature of Polenergia Fotowoltaika S.A.'s business, the Company is a party to 15 litigations in connection with contracts between the Company and its customers and the agreements between the Company and its subcontractors or suppliers.

During September and October 2023, a number of the Issuer's subsidiaries (Polenergia Obrót S.A., Polenergia Sprzedaż Sp. z o.o., Polenergia Farma Wiatrowa 3 Sp. z o.o. and Polenergia Farma Wiatrowa Dębice/Kostomłoty sp. z o.o.) received notices of launching ex officio administrative proceedings by the President of the Energy Regulatory Office for the imposition of a monetary penalty in connection with the violation of the Act of October 27, 2022 on emergency measures aimed at limiting the amount of electricity prices and support for certain consumers by failing to submit to the Price Settlement Authority, by the deadline stipulated by the aforementioned Act, reports confirming the deduction for the Price Differential Payment Fund. The aforementioned companies have provided the President of the Energy Regulatory Office with explanations of the reasons for the delays (usually several days) in submitting their reports and are awaiting further correspondence or decisions. A breach of the aforementioned law may result in a fine. The law currently stipulates that such fine may not exceed 15% of the punished entity's revenue generated in the immediately preceding financial year, with the President of the Energy Regulatory Office, when imposing the penalty, taking into account the degree of harmfulness of the act, the degree of culpability, as well as the track record of the entrepreneur and its financial capabilities. The President may also waive the penalty if the degree of harmfulness of the act is negligible, and the entity has ceased its breach or has fulfilled its obligation. The companies have submitted all the late reports.

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, Kostomłoty, Dębsk, Piekło, Międzychód and Grabowo,
- insolation levels on locations of the Sulechów I, II, III and Buk PV portfolios farms
- 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 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 diversified 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 2023 and 31 December 2022, in terms of undiscounted contractual payments.

30.09.2023	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	71 749	247 770	817 593	1 040 806	**2 177 918**
Other liabilities	506 641	2 570	36 628	6 759	**552 598**
Liabilities for deliveries and sevices	118 106	-	-	-	**118 106**
Lease liabilities	4 600	18 872	79 369	250 043	**352 884**

31.12.2022	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	75 780	251 832	838 668	1 053 716	**2 219 996**
Other liabilities	812 065	-	148 105	2 495	**962 665**
Liabilities for deliveries and sevices	171 983	-	-	-	**171 983**
Lease liabilities	13 468	5 414	69 326	205 484	**293 692**

14. Information on significant transactions with associates

Major transactions with associates in the 9-month period ended on 30 September 2023 include:

30.09.2023	Revenues	Receivables
MFW Bałtyk I S.A.	3 146	3 098
MFW Bałtyk II Sp. z o.o.	4 089	4 011
MFW Bałtyk III Sp. z o.o.	4 153	4 042
Total	**11 388**	**11 151**

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The following significant transactions with associates took place in the 9-month period ended on 30 September 2023:

30.09.2023	Revenues	Receivables
Mansa Investments Sp. z o.o.	142	36
Green Stone Solution Sp. z o.o.	72	18
Total	**214**	**54**

The following significant transactions with associates with personal relations took place in the 9-month period ended on 30 September 2023

30.09.2023	Revenues	Costs	Receivables	Libilities
Krucza Inwestycje KREH 1 Sp. z o.o. S.K.	259	3 388	34	-
Autostrada Eksploatacja S.A.	3 721	-	402	-
Beyond.pl Sp. z o.o.	3 457	686	535	30
Ciech Sarzyna S.A.	58	679	2	90
Ciech Vitrosilicon S.A.	30	-	37	-
Euro Invest Sp. z o.o.	691	-	115	-
Total	**8 216**	**4 978**	**1 125**	**120**

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 22 November 2023, 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:

EBITDA / Net profit (loss) [PLN m]	9M 2023	9M 2022	Difference
Sales revenues	4 079,5	5 143,1	(1 063,6)
EBITDA	419,8	244,3	175,4
Adjusted EBITDA	419,8	244,3	175,4
Net profit (loss)	208,8	108,0	100,8
Adjusted net profit (loss)	213,7	107,7	105,9

The year-on-year performance changes in the three quarters of 2023 were driven by the following factors:

a) On the level of EBITDA (increase by PLN 175.4 m):

- Better result in the onshore wind farm segment (by PLN 80.3 m) has mainly been due to the commencement of generation in the Dębsk, Kostomłoty, Grabowo and Piekło wind farms and higher sales prices of electricity and green certificates compared to those in 2022 (when the prices resulted from the prior years' hedging transactions). The above was partly offset by lower generation volume of the farms in operation in the corresponding period of 2022 and higher operating costs of the wind farms;
- Lower result in the photovoltaic segment (by PLN 1.2 m) due to lower effective sales prices of electricity relative to those in the corresponding period of the preceding year, higher total operating costs of the farms in operation and higher capex for projects in development. This effect was partly offset by higher total production from the Sulechów I, II and III photovoltaic farm portfolios during the 9-month of 2023 and the commencement of operation of the Buk photovoltaic farm portfolio (6.4 MW) in September 2022.
- The gas and clean fuels segment result is at similar level (increase by PLN 1.1 m) as a result of higher margin on heat sales due to better heat generation efficiency (upgrading) compensating for the higher cost of gas and the cost of CO_2 emission allowances offset by a lower result due to optimization of ENS operations and higher fixed costs;
- The growth of the result of trading and sales segment (by PLN 110,5 m) was driven by: i) better result on the RES assets-originating energy trading due to higher electricity sales prices and smaller impact of the wind profile costs (compared to the hedged sales price) and higher volume due to the expansion of the generating projects portfolio, ii) better result on the RES aggregation mainly due to the termination of performance under contracts with negative margin (resulting from dynamic changes in prices in the electrical energy market) in 2022. (iii) better result on electricity trading and business service related to the use of price volatility mainly in energy markets, (iv) better result on the ENS contract service using short-term CSS variations, v) better result on other operations, including mainly the sales of solar panels and heat pumps. Better result in the three quarters of 2023 has been partly offset by: i) lower result on electricity sales mainly related to the recognition of a one-off impact of the measurement of forward transactions last year, ii) lower margin on prop trading, iii) higher operating expenses resulting from the upscaling of operations;
- The drop in the result of the distribution segment (by PLN 6.5 m) has mainly been the consequence of the lower unit margin on energy sales in HY1, lower margin on electricity distribution (mainly due to the delay in updating the distribution tariff) and higher operating expenses resulting from the upscaling of business. The negative result was partly offset by higher revenues from connection fees.

- Lower result in Unallocated item (by PLN 8.8 m) has been mainly a consequence of higher operating expenses at the Headquarters caused predominantly by the upscaling of business.

b) On the level of adjusted EBITDA (increase by PLN 175.4 m):

- The EBITDA effect described above (result higher by PLN 175.4 m);

c) On the level of Net Profit (increase by PLN 100.8 m):

- The EBITDA effect (higher result by PLN 175.4 m);
- Higher depreciation and amortization (by PLN 37.9 m) resulting primarily from the commissioning of fixed assets in the wind farm and photovoltaic segment, higher depreciation of leased assets under IFRS 16;
- Lower impairment losses (by PLN 0.2 m) related to development.

All the abovementioned items contributed to the increase of the operating profit by PLN 137.5 m.

- Higher financial income (by PLN 2.3 m) mainly as a consequence of higher interest gains (by PLN 1.4 m), higher foreign exchange gains (by PLN 0.6 m), and higher surety fees (by PLN 0.8 m) partly offset by a lower result on measurement of derivatives (by PLN 0.4 m).
- Higher financial expenses (by PLN 13.7 m) resulting mainly from higher interest expenses (by PLN 15.1 m), and financial liabilities valuation (by PLN 2.0 m), partly offset by better result on the foreign exchange difference valuation (by PLN 0.7 m) and lower costs from derivative instruments valuation and lower commission costs (by PLN 2.7 m);
- Higher income tax level for the three quarters of 2023 results from the better income of the Group before tax.

d) On the level of adjusted net profit (increase by PLN 105.9 m):

- The net profit effect (increase by PLN 100.8 m);
- Reversal of the foreign exchange differences effect (increase by PLN 3.6 m);
- Elimination of the purchase price allocation effect (neutral effect);
- Reversal of the impairment losses effect (drop by PLN 0.2 m);
- Reversal of the loan measurement effect using the amortized cost method (increase by PLN 1.8 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. *)	33 079 625	33 079 625	42,84%
2	BIF IV Europe Holdings Limited	24 738 738	24 738 738	32,04%
3	Allianz Polska Otwarty Fundusz Emerytalny	6 045 142	6 045 142	7,83%
4	Nationale-Nederlanden Otwarty Fundusz Emerytalny	4 571 602	4 571 602	5,92%
5	Others	8 783 806	8 783 806	11,38%
	Total	**77 218 913**	**77 218 913**	**100,00%**

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

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

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

On 14 January 2023, the company Polenergia Farma Wiatrowa 18 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 16 January 2023, the company Polenergia Farma Wiatrowa 24 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 18 January 2023, the company Polenergia Farma Wiatrowa 19 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 23 January 2023, the company Polenergia Farma Wiatrowa 21 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 23 January 2023, the company Polenergia Farma Wiatrowa 15 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 26 January 2023, the company Polenergia Farma Wiatrowa 20 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 17 March 2023, the company Polenergia Farma Wiatrowa 25 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 3 April 2023, the company Polenergia Farma Wiatrowa 26 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 4 April 2023, the company Polenergia Farma Wiatrowa 27 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 5 April 2023, the company Polenergia Farma Wiatrowa 28 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

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On 11 October 2023, the company Polenergia Farma Wiatrowa 30 sp. Z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 17 October 2023, the company Polenergia Farma Wiatrowa 31 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 19 October 2023, the company Polenergia Farma Wiatrowa 32 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

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

INTERIM CONDENSED STANDALONE BALANCE SHEET
as at 30 September 2023

ASSETS

	30.09.2023	31.12.2022
I. Non-current assets	**2 401 805**	**1 539 454**
Tangible fixed assets	16 020	17 232
Intangible assets	258	249
Financial assets	2 383 718	1 521 973
Prepayments and accrued income	1 809	-
II. Current assets	**291 468**	**1 053 434**
Trade receivables	30 619	33 477
Income tax receivable	4 480	-
Other short term receivables	2 119	981
Prepayments and accrued income	4 351	7 658
Short term financial assets	36 414	585 193
Cash and equivalent	213 485	426 125
Total assets	**2 693 273**	**2 592 888**

EQUITY AND LIABILITIES

	30.09.2023	31.12.2022
I. Shareholders' equity	**2 653 926**	**2 535 852**
Share capital	133 604	133 604
Share premium account	1 515 557	1 515 557
Reserve capital from option measurement	13 207	13 207
Other capital reserves	810 528	690 205
Capital from merger	89 782	89 782
Retained profit (loss)	(26 826)	(26 826)
Net profit /(loss)	118 074	120 323
II. Long term liabilities	**10 847**	**16 174**
Deferred income tax provision	354	3 870
Provisions	464	464
Lease liabilities	10 029	11 840
III. Short term liabilities	**28 500**	**40 862**
Trade payables	1 898	2 223
Income tax payable	-	2 760
Lease liabilities	5 796	4 876
Other liabilities	1 477	13 209
Provisions	4 074	3 210
Accruals and deferred income	15 255	14 584
Total equity and liabilities	**2 693 273**	**2 592 888**

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INTERIM CONDENSED STANDALONE PROFIT AND LOSS ACCOUNT
for the 9-month period ended on 30 September 2023

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Revenues from contracts with clients	31 724	19 328	11 041	7 306
Sales revenues	**31 724**	**19 328**	**11 041**	**7 306**
Cost of goods sold	(29 141)	(17 852)	(9 949)	(6 770)
Gross sales profit	**2 583**	**1 476**	**1 092**	**536**
Other operating revenues	506	47	361	47
General overheads	(40 297)	(27 533)	(13 456)	(8 456)
Other operating expenses	(507)	(1 405)	(266)	(375)
Financial income	156 917	80 377	13 569	17 632
including dividend	121 712	46 524	6 086	-
Financial costs	(1 611)	(5 584)	(650)	(1 143)
Proft before tax	**117 591**	**47 378**	**650**	**8 241**
Income tax	483	(295)	910	(1 680)
Net profit	**118 074**	**47 083**	**1 560**	**6 561**

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME
for the 9-month period ended on 30 September 2023

			unaudited	unaudited
	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net profit for period	**118 074**	**47 083**	**1 560**	**6 561**
Other net comprehensive income	**-**	**-**	**-**	**-**
COMPREHENSIVE INCOME FOR PERIOD	**118 074**	**47 083**	**1 560**	**6 561**

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INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 9-month period ended on 30 September 2023

	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 2023	**133 604**	**1 515 557**	**13 207**	**690 205**	**89 782**	**93 497**	**-**	**2 535 852**
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	118 074	118 074
Transactions with owners of the parent recognized directly in equity								
Allocation of profit/loss	-	-	-	120 323		(120 323)	-	-
As at 30 September 2023	**133 604**	**1 515 557**	**13 207**	**810 528**	**89 782**	**(26 826)**	**118 074**	**2 653 926**

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	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 profit for reporting period	-	-	-	-	-	-	47 083	47 083
	-	-	-	-	-	-	-	-
Transactions with owners of the parent recognized directly in equity								
Emisja akcji	42 717	957 959	-	-	-	-	-	1 000 676
Podział wyniku finansowego	-	-	-	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**

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INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS
for the 9-month period ended on 30 September 2023

	For 9 months ended	
	30.09.2023	30.09.2022
A.Cash flow from operating activities		
I.Profit (loss) before tax	**117 591**	**47 378**
II.Total adjustments	**(142 949)**	**(57 399)**
Depreciation	4 685	2 808
Foreign exchange losses (gains)	2	(1)
Interest and profit shares (dividends)	(135 571)	(55 629)
Losses (gains) on investing activities	(242)	(542)
Income tax	(10 274)	4 079
Changes in provisions	864	925
Changes in receivables	2 387	3 103
Changes in short term liabilities, excluding bank loans and borrowings	(6 969)	(10 590)
Changes in accruals	2 169	(1 552)
III.Net cash flows from operating activities (I+/-II)	**(25 358)**	**(10 021)**
B.Cash flows from investing activities		
I. Cash in	**338 240**	**50 348**
1. Dipsosal of intangibles and tangible fixed asstes	242	35
1. From financial assets, including:	337 998	50 313
- dividends and shares in profits	121 712	46 524
- repayment of loans given	169 407	3 000
- interest	6 209	789
- other inflows from financial assets	40 670	-
II.Cash out	**520 991**	**694 972**
1. Acquisition of intangible and tangible fixed assets	2 180	2 097
2. For financial assets, including:	518 811	692 875
- acquisition of financial assets	518 811	164 078
- loans given	-	528 797
III.Net cash flows from investing activities (I-II)	**(182 751)**	**(644 624)**
C.Cash flows from financing activities		
I.Cash in	**5 000**	**1 003 859**
1. Net proceeds from the issue of shares and other equity instruments, and capital	-	1 003 859
2.Loans and borrowings	5 000	-
II.Cash out	**9 529**	**256 284**
1.Repayment of loans and borrowings	5 000	250 000
2.Lease payables	3 859	2 460
3.Interest	670	3 824
III.Net cash flows from financing activities (I-II)	**(4 529)**	**747 575**
D.Total net cash flows (A.III+/-B.III+/-C.III)	**(212 638)**	**92 930**
E.Increase/decrease in cash in the balance sheet, including:	**(212 640)**	**92 931**
- change in cash due to f/x differences	**(2)**	**1**
F.Cash at the beginning of period	**426 125**	**151 247**
G.Cash at the and of period, including:	**213 485**	**244 178**
- restricted cash	178	185

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COST ACCORDING TO TYPE

	For 9 months ended		For 3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
- depreciation	4 685	2 808	1 571	1 292
- materials and power consumption	1 159	958	451	432
- third party services	24 071	13 451	8 321	4 725
- taxes, duties and fees	124	1 946	17	30
- salaries	34 468	23 041	11 472	7 755
- social security and other benefits	4 879	3 161	1 535	984
- other cost by type	52	20	38	8
Total cost by type	**69 438**	**45 385**	**23 405**	**15 226**
- general overheads (-)	(40 297)	(27 533)	(13 456)	(8 456)
Total cost of goods sold	**29 141**	**17 852**	**9 949**	**6 770**

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