

## Selected separate financial data of Enea S.A.

	In PLN '000		In EUR '000	
	6 months ended	6 months ended	6 months ended	6 months ended
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Net sales revenue	2 825 513	2 735 612	665 234	624 498
Operating profit	78 751	21 666	18 541	4 946
Profit before tax	920 755	549 410	216 781	125 422
Net profit for the reporting period	899 734	538 742	211 832	122 986
Net cash flows from operating activities	603 130	240 169	142 000	54 827
Net cash flows from investing activities	(1 883 423)	(582 337)	(443 430)	(132 938)
Net cash flows from financing activities	417 457	612 043	98 285	139 720
Total net cash flows	(862 836)	269 875	(203 145)	61 608
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN / EUR)	2.04	1.22	0.48	0.28
Diluted earnings per share (in PLN / EUR)	2.04	1.22	0.48	0.28
	<b>Balance as at</b>	<b>Balance as at</b>	<b>Balance as at</b>	<b>Balance as at</b>
	<b>30.06.2017</b>	<b>31.12.2016</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
Total assets	20 137 406	18 217 925	4 764 558	4 117 976
Total liabilities	8 420 231	7 277 446	1 992 247	1 644 992
Non-current liabilities	6 415 439	5 972 038	1 517 908	1 349 918
Current liabilities	2 004 792	1 305 408	474 339	295 074
Equity	11 717 175	10 940 479	2 772 312	2 472 983
Share capital	588 018	588 018	139 126	132 915
Book value per share (in PLN / EUR)	26.54	24.78	6.28	5.60
Diluted book value per share (in PLN / EUR)	26.54	24.78	6.28	5.60

The above financial data for I half of 2017 and 2016 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 June 2017 – 4.2265 PLN/EUR (as at 31 December 2016 – 4.4240 PLN/EUR),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 June 2017 – 4.2474 PLN/EUR (for the period from 1 January to 30 June 2016 – 4.3805 PLN/EUR).



**Condensed interim separate  
financial statements  
of Enea S.A.  
for the period from 1 January to 30 June 2017**

Poznań, 5 September 2017 r.

(all amounts in PLN '000, unless specified otherwise)

**Index to the separate financial statements**

<b>Separate statement of financial position .....</b>	<b>4</b>
<b>Separate statement of profit or loss and other comprehensive income .....</b>	<b>6</b>
<b>Separate statement of changes in equity .....</b>	<b>7</b>
<b>Separate statement of cash flows .....</b>	<b>8</b>
<b>1. General information about Enea S.A. ....</b>	<b>9</b>
<b>2. Statement of compliance .....</b>	<b>9</b>
<b>3. Accounting principles .....</b>	<b>10</b>
<b>4. Material estimates and assumptions.....</b>	<b>10</b>
<b>5. Composition of the Group - list of subsidiaries, associates and jointly-controlled entities .....</b>	<b>11</b>
<b>6. Property, plant and equipment .....</b>	<b>12</b>
<b>7. Intangible assets .....</b>	<b>12</b>
<b>8. Investments in subsidiaries, associates and jointly-controlled entities .....</b>	<b>13</b>
<b>9. Intercompany bonds .....</b>	<b>14</b>
<b>10. Allowance on trade and other receivables:.....</b>	<b>16</b>
<b>11. Inventory .....</b>	<b>16</b>
<b>12. Cash and cash equivalents .....</b>	<b>16</b>
<b>13. Financial assets measured at fair value through profit or loss.....</b>	<b>17</b>
<b>14. Financial instruments .....</b>	<b>17</b>
<b>15. Loans, borrowings and debt securities .....</b>	<b>18</b>
<b>16. Other financial liabilities .....</b>	<b>21</b>
<b>17. Deferred income tax .....</b>	<b>21</b>
<b>18. Provisions for liabilities and other charges .....</b>	<b>21</b>
<b>19. Dividend .....</b>	<b>22</b>
<b>20. Related party transactions.....</b>	<b>22</b>
<b>21. Future liabilities under contract concluded at the end of the reporting period .....</b>	<b>24</b>
<b>22. Contingent liabilities and proceedings before court, bodies competent to conduct arbitration proceedings or public administration bodies.....</b>	<b>24</b>
22.1. Sureties and guaranties .....	24
22.2. Pending proceedings before courts of general jurisdiction .....	25
22.3. Motions for settlement of not balanced energy trading in 2012 .....	25
22.4. Dispute concerning energy origin certificate prices.....	26
<b>23. The participation in the construction of the atomic power plant programme .....</b>	<b>26</b>
<b>24. Acquisition of shares of Polimex–Mostostal S.A. ....</b>	<b>27</b>
<b>25. Acquisition of shares of ENGIE Energia Polska S.A. (currently Enea Elektrownia Połaniec S.A.) .....</b>	<b>28</b>
<b>26. Realization of the Investment Agreement with Energa S.A. and Elektrownia Ostrołęka S.A. on the construction and operation of a power unit in Ostrołęka Power Plan .....</b>	<b>28</b>
<b>27. Recapitalization in Polska Grupa Górnicza Sp. z o.o. ....</b>	<b>29</b>
<b>28. Initial offer for acquisition of EDF's assets in Poland .....</b>	<b>31</b>
<b>29. Subsequent events.....</b>	<b>31</b>

(all amounts in PLN '000, unless specified otherwise)

These condensed interim separate financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, as endorsed by the European Union (EU), and approved by the Management Board of ENEA S.A.

### Members of the Management Board

**President of the Management Board**                      **Mirosław Kowalik**                      .....

**Member of the Management Board**                      **Piotr Adamczak**                      .....

**Acting Member of the Management Board**                      **Rafał Szymański**                      .....

Enea Centrum Sp. z o.o.

The entity responsible for keeping the accounting records  
and the preparation of financial statements

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

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

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**Poznań, 5 September 2017 r.**

(all amounts in PLN '000, unless specified otherwise)

**Separate statement of financial position**

	Note	Balance as at	
		30.06.2017	31.12.2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	27 865	29 063
Perpetual usufruct of land		1 956	1 970
Intangible assets	7	4 675	4 814
Investment properties		15 132	15 405
Investments in subsidiaries, associates and jointly-controlled entities	8	11 060 446	9 448 433
Deferred tax assets	17	33 954	48 562
Financial assets available for sale		41 902	41 902
Intercompany bonds	9	5 456 242	5 136 547
Financial assets measured at fair value through profit or loss	13	46 121	-
Derivatives		26 995	40 267
Trade and other receivables		162 387	145 111
		<b>16 877 675</b>	<b>14 912 074</b>
<b>Current assets</b>			
Inventories	11	70 276	84 984
Trade and other receivables		1 835 573	1 119 479
Current income tax receivables		92 727	-
Intercompany bonds	9	509 169	486 566
Cash and cash equivalents	12	751 986	1 614 822
		<b>3 259 731</b>	<b>3 305 851</b>
<b>TOTAL ASSETS</b>		<b>20 137 406</b>	<b>18 217 925</b>

(all amounts in PLN '000, unless specified otherwise)

	Note	Balance as at	
		30.06.2017	31.12.2016
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Reserve capital from valuation of hedging instruments		23 384	33 826
Reserve capital		3 150 240	2 640 358
Retained earnings		3 327 860	3 050 604
<b>Total equity</b>		<b>11 717 175</b>	<b>10 940 479</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans, borrowings and debt securities	15	6 363 874	5 918 322
Finance lease liabilities		378	510
Liabilities due to employee benefits		51 172	49 060
Provisions for other liabilities and charges	18	15	4 146
		<b>6 415 439</b>	<b>5 972 038</b>
<b>Current liabilities</b>			
Loans, borrowings and debt securities	15	197 372	136 206
Trade and other liabilities		780 425	667 226
Finance lease liabilities		253	262
Current income tax liabilities		-	31 564
Liabilities due to employee benefits		15 836	20 050
Liabilities due to an equivalent of the right to acquire shares free of charge		281	281
Derivatives		32	-
Other financial liabilities	16	780 200	166 653
Provisions for other liabilities and charges	18	230 393	283 166
		<b>2 004 792</b>	<b>1 305 408</b>
<b>Total liabilities</b>		<b>8 420 231</b>	<b>7 277 446</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20 137 406</b>	<b>18 217 925</b>

(all amounts in PLN '000, unless specified otherwise)

**Separate statement of profit or loss and other comprehensive income**

	For the period			
	6 months ended 30.06.2017	3 months ended 30.06.2017	6 months ended 30.06.2016	3 months ended 30.06.2016
Sales revenue	2 954 901	1 396 320	2 860 781	1 314 375
Excise tax	(129 388)	(60 908)	(125 169)	(56 707)
<b>Net sales revenue</b>	<b>2 825 513</b>	<b>1 335 412</b>	<b>2 735 612</b>	<b>1 257 668</b>
Other operating revenue	10 176	7 029	7 639	5 048
Depreciation	(1 422)	(668)	(1 784)	(860)
Costs of employee benefits	(24 939)	(11 992)	(27 134)	(12 484)
Consumption of materials and supplies and costs of goods sold	(1 231)	(709)	(972)	(502)
Energy and gas purchase for sale	(1 766 901)	(828 644)	(1 842 413)	(835 393)
Transmission and distribution services	(805 305)	(384 806)	(753 028)	(349 104)
Other external services	(87 858)	(47 299)	(78 772)	(41 091)
Taxes and charges	(2 089)	(497)	(2 012)	(464)
Profit/(Loss) on sale and liquidation of property, plant and equipment	249	183	(8)	-
Other operating expenses	(67 442)	(30 684)	(15 462)	(8 249)
<b>Operating profit</b>	<b>78 751</b>	<b>37 325</b>	<b>21 666</b>	<b>14 569</b>
Financial expenses	(93 958)	(48 676)	(116 051)	(80 750)
Financial revenue	138 235	35 602	94 921	46 255
Dividend income	797 727	797 727	548 874	548 874
<b>Profit before tax</b>	<b>920 755</b>	<b>821 978</b>	<b>549 410</b>	<b>528 948</b>
Income tax	(21 021)	(1 947)	(10 668)	(5 356)
<b>Net profit for the reporting period</b>	<b>899 734</b>	<b>820 031</b>	<b>538 742</b>	<b>523 592</b>
Items that are or may be reclassified to profit or loss				
- valuation of hedging instruments	(12 892)	(6 683)	(29 094)	(295)
- income tax	2 450	1 270	5 528	56
Items that will not be reclassified to profit or loss				
- remeasurement of defined benefit plan	(2 759)	(2 759)	2 415	2 415
- income tax	524	524	(459)	(459)
<b>Net other comprehensive income</b>	<b>(12 677)</b>	<b>(7 648)</b>	<b>(21 610)</b>	<b>1 717</b>
<b>Total comprehensive income for the reporting period</b>	<b>887 057</b>	<b>812 383</b>	<b>517 132</b>	<b>525 309</b>
Earnings attributable to the Company's shareholders	899 734	820 031	538 742	523 592
Weighted average number of ordinary shares	441 442 578	441 442 578	441 442 578	441 442 578
<b>Net earnings per share (in PLN per share)</b>	<b>2.04</b>	<b>1.86</b>	<b>1.22</b>	<b>1.19</b>
<b>Diluted earnings per share (in PLN per share)</b>	<b>2.04</b>	<b>1.86</b>	<b>1.22</b>	<b>1.19</b>

The separate statement of profit or loss and other comprehensive income should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements.

(all amounts in PLN '000, unless specified otherwise)

### Separate statement of changes in equity

Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Reserve capital from valuation of hedging instruments	Reserve capital	Retained earnings	Total equity
<b>Balance as at 01.01.2017</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>33 826</b>	<b>2 640 358</b>	<b>3 050 604</b>	<b>10 940 479</b>
Net profit							899 734	<b>899 734</b>
Net other comprehensive income					(10 442)		(2 235)	<b>(12 677)</b>
<b>Total comprehensive income</b>					<b>(10 442)</b>		<b>897 499</b>	<b>887 057</b>
Distribution of the net profit						509 882	(509 882)	-
Dividends							(110 361)	<b>(110 361)</b>
<b>Balance as at 30.06.2017</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>23 384</b>	<b>3 150 240</b>	<b>3 327 860</b>	<b>11 717 175</b>

Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Reserve capital from valuation of hedging instruments	Reserve capital	Retained earnings	Total equity
<b>Balance as at 01.01.2016</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>3 980</b>	<b>2 640 358</b>	<b>2 427 976</b>	<b>10 288 005</b>
Net profit							538 742	<b>538 742</b>
Net other comprehensive income					(23 566)		1 956	<b>(21 610)</b>
<b>Total comprehensive income</b>					<b>(23 566)</b>		<b>540 698</b>	<b>517 132</b>
<b>Balance as at 30.06.2016</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>(19 586)</b>	<b>2 640 358</b>	<b>2 968 674</b>	<b>10 805 137</b>

The separate statement of changes in equity should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements

(all amounts in PLN '000, unless specified otherwise)

**Separate statement of cash flows**

	<b>6 months ended 30.06.2017</b>	<b>6 months ended 30.06.2016</b>
<b>Separate statement of cash flows</b>		
Net profit for the reporting period	899 734	538 742
Adjustments:		
Income tax disclosed in the profit and loss	21 021	10 668
Depreciation	1 422	1 784
(Gain)/loss on sale and liquidation of property, plant and equipment	(249)	8
(Gain)/loss on disposal of financial assets	(39 126)	(3 404)
Interest income	(79 501)	(76 487)
Dividend income	(797 727)	(548 874)
Interest expense	87 671	72 454
Impairment loss on shares	-	42 000
	<b>(806 489)</b>	<b>(501 851)</b>
Income tax paid	(172 628)	(158 192)
Inflows due to settlements within Tax Group	133 289	139 077
Changes in working capital		
Inventories	14 708	(74 264)
Trade and other receivables	(3 278)	90 360
Trade and other liabilities	599 559	166 340
Liabilities due to employee benefits	(4 861)	(5 017)
Provisions for other liabilities and charges	(56 904)	44 974
	<b>549 224</b>	<b>222 393</b>
<b>Net cash flows from operating activities</b>	<b>603 130</b>	<b>240 169</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(170)	(2 140)
Proceeds from disposal of property, plant and equipment and intangible assets	254	9
Proceeds from disposal of financial assets	54 960	19 694
Acquisition of financial assets	(426 500)	(477 770)
Acquisition of subsidiaries, associates and jointly-controlled entities	(1 593 178)	-
Additional paid-in capital (redistributable) to the share capital of the subsidiary	(128)	(199 899)
Proceeds related to the acquisition of financial assets	1 567	3 350
Interests received	79 772	74 419
<b>Net cash flows from investing activities</b>	<b>(1 883 423)</b>	<b>(582 337)</b>
<b>Cash flows from financing activities</b>		
Loans and borrowings received	250 000	386 974
Bonds issue	290 000	300 000
Repayment of loans and borrowing	(33 913)	-
Payment of finance lease liabilities	(141)	(28)
Expenses related to future issue of bonds	(2 108)	(2 719)
Interests paid	(86 381)	(72 184)
<b>Net cash flows from financing activities</b>	<b>417 457</b>	<b>612 043</b>
<b>Net increase/ (decrease) in cash</b>	<b>(862 836)</b>	<b>269 875</b>
Opening balance of cash	1 614 822	1 397 632
<b>Closing balance of cash</b>	<b>751 986</b>	<b>1 667 507</b>

The separate statement of cash flows should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements.

(all amounts in PLN '000, unless specified otherwise)

## 1. General information about Enea S.A.

<b>Name (business name):</b>	Enea Spółka Akcyjna
<b>Legal form:</b>	joint-stock company
<b>Country:</b>	Poland
<b>Registered office:</b>	Poznań
<b>Address:</b>	1 Górecka Street, 60-201 Poznań
<b>National Court Register - District Court in Poznań</b>	KRS 0000012483
<b>Telephone:</b>	(+48 61) 884 55 44
<b>Fax:</b>	(+48 61) 884 59 59
<b>E-mail:</b>	<a href="mailto:enea@enea.pl">enea@enea.pl</a>
<b>Website:</b>	<a href="http://www.enea.pl">www.enea.pl</a>
<b>Statistical number (REGON):</b>	630139960
<b>Tax identification number (NIP):</b>	777-00-20-640

Enea S.A., operating previously under the company name Energetyka Poznańska S.A., was registered in the National Court Register at the District Court in Poznań under KRS number 0000012483 on 21 May 2001.

As at 30 June 2017 the shareholding structure of Enea S.A. was as follows: the State Treasury of the Republic of Poland - 51.5% of shares, PZU TFI 9.96% of shares and other shareholders – 38.54%.

As at 30 June 2017 the statutory share capital of Enea S.A. equaled to PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

Trade in electricity is the core business of Enea S.A. (Enea, the Company).

Enea S.A. is the parent company in the Enea Group (the Group). As at 30 June 2017 the Group comprised of 13 subsidiaries, 9 indirect subsidiaries, 2 associates and 3 jointly controlled entities.

These condensed interim separate financial statements have been prepared on the going concern basis for foreseeable future. There are no circumstances indicating that the ability of Enea S.A. to continue as a going concern might be at risk.

## 2. Statement of compliance

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

(all amounts in PLN '000, unless specified otherwise)

The Management Board of the Company has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim separate financial statements of ENEA S.A. in accordance with IFRS-EU as of 30 June 2017. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have been reviewed by a certified auditor.

The Company prepares condensed interim consolidated financial statements of ENEA Group in accordance with IFRS EU as at 30 June 2017 and for the six-month period then ended. These condensed interim separate financial statements ought to be read together with those condensed interim consolidated financial statements and with the separate financial statements of ENEA S.A. for the financial year ended 31 December 2016.

### **3. Accounting principles**

These condensed interim separate financial statements have been prepared in accordance with accounting principles consistent with those applied during the preparation of the most recent annual separate financial statements for the year ended 31 December 2016.

Polish zloty has been used as a reporting currency of these condensed interim separate financial statements. The data in the condensed interim separate financial statements have been presented in PLN thousand (PLN '000), unless specified otherwise.

### **4. Material estimates and assumptions**

The preparation of condensed interim separate financial statements in accordance with IAS 34 requires that the Management Board makes certain estimates and assumptions that affect the adopted accounting policies and the amounts disclosed in the condensed interim separate financial statements and notes thereto. The adopted assumptions and estimates are based on the Management Board's best knowledge of the current and future activities and events. The actual figures, however, can be different from those assumed. The estimates adopted for the needs of preparation of these condensed interim separate financial statements are consistent with the estimates adopted during preparation of the separate financial statements for the previous financial year. The estimates presented in the previous financial years do not exert any significant influence on the current interim period.

(all amounts in PLN '000, unless specified otherwise)

**5. Composition of the Group - list of subsidiaries, associates and jointly-controlled entities**

	<b>Name and address of the Company</b>	<b>Share of Enea S.A. in the total number of votes in% 30.06.2017</b>	<b>Share of Enea S.A. in the total number of votes in % 31.12.2016</b>
1.	<b>Enea Operator Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
2.	<b>Enea Wytwarzanie Sp. z o.o.</b> Świerże Górne, Kozienice, Kozienice 1	100	100
3.	<b>Enea Elektrownia Połaniec S.A.</b> <sup>6</sup> Połaniec, Zawada 26	100	-
4.	<b>Enea Oświetlenie Sp. z o.o.</b> Szczecin, Ku Słońcu 34	100	100
5.	<b>Enea Trading Sp. z o.o.</b> Świerże Górne, Kozienice, Kozienice 1	100	100
6.	<b>Enea Logistyka Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
7.	<b>Enea Serwis Sp. z o.o.</b> Lipno, Gronówko 30	100	100
8.	<b>Enea Centrum Sp. z o.o.</b> Poznań, Górecka 1	100	100
9.	<b>Enea Pomiary Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
10.	<b>ENERGO-TOUR Sp. z o.o. w likwidacji</b> Poznań, Marcinkowskiego 27	100 <sup>5</sup>	100 <sup>5</sup>
11.	<b>Enea Innovation Sp. z o.o.</b> Warszawa, Jana Pawła II 25	100	100
12.	<b>Lubelski Węgiel BOGDANKA S. A.</b> Bogdanka, Puchaczów	65.99	65.99
13.	<b>Annacond Enterprises Sp. z o.o.</b> Warszawa, Jana Pawła II 25	61	61
14.	<b>ElectroMobility Poland S.A.</b> Warszawa, Mysia 2	25	25
15.	<b>Elektrownia Ostrołęka S.A.</b> Ostrołęka, Elektryczna 5	23.79 <sup>7</sup>	-
16.	<b>Polimex – Mostostal S.A.</b> Warszawa, Jana Pawła II 12	16.48	-
17.	<b>Polska Grupa Górnicza Sp. z o.o.</b> Katowice, Powstańców 30	5.81 <sup>8</sup>	-
18.	<b>Enea Bioenergia Sp. z o.o.</b> Połaniec, Zawada 26	100 <sup>4</sup>	-
19.	<b>Przedsiębiorstwo Energetyki Ciepłej Zachód Sp. z o.o.</b> Białystok, Starosielce 2/1	100 <sup>1</sup>	100 <sup>1</sup>
20.	<b>Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.</b> Oborniki, Wybudowanie 56	99.93 <sup>1</sup>	99.93 <sup>1</sup>
21.	<b>Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.</b> Białystok, Warszawska 27	91.14 <sup>1</sup>	91.02 <sup>1</sup>
22.	<b>Miejska Energetyka Ciepła Piła Sp. z o.o.</b> Piła, Kaczorska 20	71.11 <sup>1</sup>	71.11 <sup>1</sup>
23.	<b>EkoTRANS Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
24.	<b>RG Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
25.	<b>MR Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
26.	<b>Łęczyńska Energetyka Sp. z o.o.</b> Bogdanka, Puchaczów	58.53 <sup>2</sup>	58.53 <sup>2</sup>

(all amounts in PLN '000, unless specified otherwise)

27.	<b>Centralny System Wymiany Informacji Sp. z o.o.</b> Poznań, Strzeszyńska 58	20 <sup>3</sup>	100 <sup>3</sup>
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<sup>1</sup> – an indirect subsidiary held through shares in Enea Wytwarzanie Sp. z o.o.

On 17 September 2015, by Resolution no. 547/2015 adopted by the Management Board of Enea Wytwarzanie Sp. z o.o., a project titled "Purchase of employee shares of MPEC sp. z o.o. in Białystok" was launched. On 17 November 2015, by Resolution no. 661/2015, powers of attorney were granted in terms of concluding of the preliminary contracts and final agreements. The number of shares available for purchase is 75 thousand. The concluding of the Preliminary Agreements was planned for the period between 7 December 2015 and 27 January 2016. The Final Contracts shall be concluded after 16 September 2016. By the end of December 2015, Preliminary Agreements on Sale of shares worth in total PLN 747 thousand were concluded. In 2016, Enea Wytwarzanie Sp. z o.o. purchased 67,209 shares of MPEC Sp. z o.o. in Białystok for the amount of PLN 7,688 thousand, and as at the end of the year it owned 91.02% of shares in share capital. In the first half of 2017 Enea Wytwarzanie Sp. z o.o. purchased 1,749 shares of MPEC sp. z o.o. in Białystok for the amount of PLN 217 thousand and on 30 June 2017 it owned 91.14% of shares in share capital.

<sup>2</sup> – an indirect subsidiary held through shares in Lubelski Węgiel BOGDANKA S.A.

<sup>3</sup> – an indirect subsidiary held through shares in Enea Operator Sp. z o.o., 30 June Enea Operator Sp. z o.o. completed the sale of 16 shares in price PLN 2.500 each worth in total PLN 40 thousand.

<sup>4</sup> – an indirect subsidiary held through shares in Enea Elektrownia Połaniec S.A. On 16 March 2017, the Extraordinary General Meeting of Shareholders of the ENGIE Bioenergia Sp. z o.o. company adopted a resolution concerning Change of Company's Agreement by changing company's name to Enea Bioenergia Sp. z o.o. On 26 April 2017 the change of Company's Agreement was registered in the National Court Register.

<sup>5</sup> – On 30 March 2015, the Extraordinary General Meeting of Shareholders of the company adopted a resolution concerning the dissolution of the company, after conducting a liquidation proceeding. The resolution entered into force on 1 April 2015. An application for removing the company from the register was submitted to the National Court Register on November 5, 2015. As of the date of these condensed interim consolidated financial statements procedural steps relating to the deletion of the company from the National Court Register are ongoing.

<sup>6</sup> – On 10 April 2017, the company's name was changed from ENGIE Energia Polska S.A. to Enea Elektrownia Połaniec S.A. in the National Court Register.

<sup>7</sup> – On 1 February 2017 Enea S.A. concluded with Energa S.A. an Agreement for the Purchase of 24,980,926 Shares in Elektrownia Ostrołęka S.A. and thereby acquiring an 11.89 % interest in the Company's share capital. On 13 April 2017, the Extraordinary General Meeting of Shareholders of Elektrownia Ostrołęka S.A. adopted a resolution on increasing the Company's share capital in the private subscription way from PLN 210.100 thousand to PLN 229,100 thousand i.e. by amount PLN 19 000 thousand by issuing new D series shares with a nominal value PLN 1 each. Shares issued in the private subscription were directed to Enea S.A. and ENERGA S.A. On the 27 April 2017 Enea S.A. signed a contract with Elektrownia Ostrołęka S.A. concerning coverage 9,500,000 shares. Increase the company's share capital was registered in the National Court Register on 30 May 2017. On 27 June 2017 Enea S.A. concluded an Agreement on the Purchase of 20,017,269 Shares in Elektrownia Ostrołęka S.A. and thereby acquiring an 23.79 % shares in the Company's share capital.

<sup>8</sup> – On 3 April 2017 Enea S.A. acquired 1,500,000 new shares with nominal value of PLN 100 each and total value of PLN 150,000 thousand in Polska Grupa Górnicza Sp. z o.o. On 14 June, the Extraordinary General Meeting of Shareholders of Polska Grupa Górnicza Sp. z o.o. adopted a resolution on increasing the Company's share capital by amount PLN 200,000 thousand, from PLN 3,416,718 thousand to PLN 3,616,718 thousand issuing 2,000,000 new shares with a nominal value of PLN 100 each. As a result Enea S.A. acquired 600,000 shares with total nominal value of PLN 60,000 thousand. The increase in the Company's share capital was registered in the National Court Register on 7 July 2017.

## 6. Property, plant and equipment

During the 6-month period ended 30 June 2017, the Company did not acquire any property, plant and equipment (during the period of 6 months ended 30 June 2016 respectively: PLN 183 thousand).

During the 6-month period ended 30 June 2017, the Company completed the sale and liquidation of property, plant and equipment in the total net book value of PLN 5 thousand (during the period of 6 months ended 30 June 2016 respectively: PLN 16 thousand).

As at 30 June 2017 there were no indicators of impairment of property, plant and equipment identified.

## 7. Intangible assets

During the 6-month period ended 30 June 2017, the Company did not acquire any intangible assets (during the period of

(all amounts in PLN '000, unless specified otherwise)

6 months ended 30 June 2016 respectively: PLN 757 thousand).

During the 6-month period ended 30 June 2017, the Company did not complete significant liquidations of intangible assets (during the period of 6 months ended 30 June 2016 respectively: PLN 0 thousand).

## 8. Investments in subsidiaries, associates and jointly-controlled entities

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Opening balance</b>	<b>9 448 433</b>	<b>8 323 493</b>
Acquisition of investments	1 609 829	9 412
Additional paid-in capital (redistributable)	128	1 138 227
Other	3 612	19 301
Abandoned investment	(1 556)	-
Change in impairment loss	-	(42 000)
<b>Closing balance</b>	<b>11 060 446</b>	<b>9 448 433</b>

### Impairment loss on investments

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Opening balance</b>	<b>2 159 775</b>	<b>2 117 775</b>
Addition	-	42 000
<b>Closing balance</b>	<b>2 159 775</b>	<b>2 159 775</b>

On 20 January 2017, Enea S.A. accepted the offer submitted by Polimex-Mostostal S.A. of private subscription for 37,500,000 shares at the issue price of PLN 2 per share, i.e. for the total issue price of PLN 75,000 thousand and acquired 1,500,000 shares in Polimex-Mostostal S.A. from its existing shareholder. The purchase price of all shares amounted to PLN 80,640 thousand. Having taken up the shares Enea S.A. holds a 16.48% interest in the company's share capital.

On 1 February 2017, Enea S.A. acquired 24,980,926 shares in Elektrownia Ostrołęka S.A. from ENERGA S.A. The purchase price of all shares amounted to PLN 24,000 thousand. On 28 April 2017, the Company acquired 9,500,000 shares with nominal value PLN 1 each issued on the private subscription. On 27 June 2017 Enea S.A. concluded an Agreement on the Purchase of 20,017,269 shares in Elektrownia Ostrołęka S.A., the purchase price of all shares amounted to PLN 19,231 thousand.

Having taken up the shares Enea S.A. holds an 23.79% interest in the company's share capital.

On 14 March 2017, Enea S.A. acquired 100% of shares in ENGIE Energia Polska S.A. from ENGIE International Holdings B.V., i.e. 7,135,000 shares for a total price of PLN 1,264,159 thousand.

On 3 April 2017 Enea S.A. acquired 1,500,000 new shares with nominal value of PLN 100 each and total value of PLN 150,000 thousand in Polska Grupa Górnicza Sp. z o.o. On 14 June, the Extraordinary General Meeting of Shareholders of Polska Grupa Górnicza Sp. z o.o. adopted a resolution on increasing the Company's share capital. As a result Enea S.A. acquired 600,000 shares with total nominal value of PLN 60,000 thousand.

(all amounts in PLN '000, unless specified otherwise)

On 11 May 2017 the Management Board of Enea S.A. adopted a resolution regarding the Company's resignation from participation in the transaction of acquiring Polish assets belonging to EDF International SAS and EDF Investment II B.V.

## **9. Intercompany bonds**

Enea Group adopted a model of intra-group financing of investments conducted by subsidiaries. Enea S.A. raises on a financial market long-term funds through borrowing or issuing bonds, and then distributes them within the Group. The table below presents currently ongoing programs of intra-group bonds issue pending as at 30 June 2017 and as at 31 December 2016:

(all amounts in PLN '000, unless specified otherwise)

Date of contracts	Issuer	Final redemption	Credit limit	Amount used in	Bonds issued as at 30.06.2017 (principal)	Bonds issued as at 31.12.2016 (principal)
			PLN '000	PLN '000	PLN '000	PLN '000
10 March 2011	Enea Wytwarzanie Sp. z o.o.	31 March 2023	26 000	26 000	26 000	26 000
29 September 2011	Enea Wytwarzanie Sp. z o.o.	29 September 2019	14 500	14 500	6 000	6 000
23 July 2012	Enea Wytwarzanie Sp. z o.o.	22 July 2019	158 500	158 500	46 750	57 850
8 September 2012, agreement for the amount of PLN 4 000 000 thousand reduced by annex No. 2 dated 21 January 2015 to the amount of PLN 3 000 000 thousand	Enea Wytwarzanie Sp. z o.o.	From 15 June 2020 to 15 December 2020 depending on dates of bond series issue, the remaining amounts at the latest 15 June 2022	3 000 000	2 091 000	2 091 000	1 951 000
20 June 2013 as amended by Annex No. 1 dated 9 October 2014 and Annex No.2 dated 7 July 2015	Enea Operator Sp. z o.o.	Depending on dates of bond series issue, but not later than 17 June 2030	1 425 000	1 425 000	1 391 087	1 425 000
12 August 2014 in the amount of PLN 260 000 thousand, increased to PLN 1 000 000 thousand by Annex No. 1 dated 11 February 2015 and reduced by Annex No. 2 dated 30 December 2015 to the amount of PLN 260 000 thousand	Enea Wytwarzanie Sp. z o.o.	Redemption in installments – final maturity 15 December 2026	260 000	260 000	260 000	260 000
17 November 2014	Enea Wytwarzanie Sp. z o.o.	31 March 2020	740 000	350 000	350 000	350 000
17 February 2015 in the amount of PLN 760 000 thousand, increased by Annex No. 1 dated 3 June 2015 to amount of PLN 1 000 000 thousand.	Enea Wytwarzanie Sp. z o.o.	10 February 2020	1 000 000	1 000 000	1 000 000	1 000 000
7 July 2015 amended by annexes no. 1 from 28 March 2017	Enea Operator Sp. z o.o.	Depending on dates of bond series issue, but not later than 15 December 2031	946 000	450 000	450 000	200 000
30 October 2015	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	Redemption in installments – final maturity 31 March 2020	18 000	18 000	11 000	13 000
18 July 2016	Enea Operator Sp. z o.o.	Final maturity December 2017	360 000	360 000	360 000	360 000
<b>Total</b>					<b>5 991 837</b>	<b>5 648 850</b>
Transaction costs and the result of the effective interest rate measurement					(26 426)	(25 737)
<b>Total</b>					<b>5 965 411</b>	<b>5 623 113</b>

(all amounts in PLN '000, unless specified otherwise)

In January 2017 Enea S.A. acquired the series III of bonds amounting to PLN 250,000 thousand issued by Enea Operator Sp. z o.o. under the Bond Issue Programme Agreement of 7 July 2015. The interest of the bonds is based on a floating interest rate plus margin. The bonds will be redeemed in equal installments, and the final date of redemption is planned for December 2031.

In April 2017 Enea S.A. acquired the series IX of bonds amounting PLN 140,000 thousand issued by Enea Wytwarzanie Sp. z o.o. under the Bond Issue Programme Agreement of 8 September 2012. The interest of the bonds is based on floating interest rate, and the bond redemption date is 15 June 2022.

#### 10. Allowance on trade and other receivables:

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Opening balance of receivables allowance</b>	<b>56 111</b>	<b>52 697</b>
Addition	5 799	13 353
Utilization	(4 987)	(9 939)
<b>Closing balance of receivables allowance</b>	<b>56 923</b>	<b>56 111</b>

During the 6-month period ended 30 June 2017 the allowance on the carrying amount of trade and other receivables increased by PLN 812 thousand (during the period of 6 months ended 30 June 2016 the impairment allowance increased by PLN 2,950 thousand).

#### 11. Inventory

Certificates of energy origin

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Opening balance</b>	<b>84 984</b>	<b>152 318</b>
Acquisition	113 442	330 497
Redemption	(126 691)	(397 544)
Sale	(1 459)	(287)
<b>Closing balance</b>	<b>70 276</b>	<b>84 984</b>

The costs of certificates of energy origin' redemption are presented in profit or loss in energy and gas purchase for sale.

#### 12. Cash and cash equivalents

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Cash at bank</b>	<b>48 306</b>	<b>56 020</b>
<b>Other cash</b>	<b>703 680</b>	<b>1 558 802</b>
- bank deposits	702 240	1 554 631
- other	1 440	4 171
<b>Total cash and cash equivalents</b>	<b>751 986</b>	<b>1 614 822</b>
<b>Cash disclosed in the statement of cash flows</b>	<b>751 986</b>	<b>1 614 822</b>

As at 30 June 2017 and as at 31 December 2016 Enea S.A. had no restricted cash.

(all amounts in PLN '000, unless specified otherwise)

### 13. Financial assets measured at fair value through profit or loss

As at 30 June 2017, in “Financial assets measured at fair value through profit or loss” the Company presented call options on shares in Polimex-Mostostal S.A. On the basis of the call options contract dated 18 January 2017, Enea S.A. acquired call options from Towarzystwo Finansowe Silesia Sp. z o.o. This contract provides for the purchase (in three tranches) of total 9,125 thousand of shares, at a nominal price of PLN 2 per share, on specific dates, i.e.: 30 July 2020, 30 July 2021 and 30 July 2022. The call options were measured at fair value using the Black-Scholes model. The book value of the options amounted to PLN 46,121 thousand as at 30 June 2017.

### 14. Financial instruments

The table below presents the fair values as compared to carrying amounts:

	30.06.2017		31.12.2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale	41 902	41 902	41 902	41 902
Long-term intercompany bonds	5 456 242	5 504 884	5 136 547	5 206 010
Non-current financial assets measured at fair value through profit or loss	46 121	46 121	-	-
Derivatives	26 995	26 995	40 267	40 267
Short-term intercompany bonds	509 169	509 169	486 566	486 566
Trade and others receivables	1 896 286	(*)	1 143 424	(*)
Cash and cash equivalents	751 986	751 986	1 614 822	1 614 822
Long-term bank loans, borrowings and debt securities	6 363 874	6 414 889	5 918 322	5 972 289
Derivatives	32	32	-	-
Short-term bank loans, borrowings and debt securities	197 372	197 372	136 206	136 206
Finance lease liabilities	631	631	772	772
Other financial liabilities	780 200	780 200	166 653	166 653
Trade and other liabilities	611 845	(*)	521 535	(*)

(\*) - the carrying amounts of trade and other receivables, trade and other liabilities approximates their fair values

Financial assets available for sale include shares in unrelated parties for which the ratio of interest in equity is lower than 20%. The positions comprises also shares in PGE EJ1 Sp. o.o. in the amount of PLN 26,902 thousand for which there is no quoted market price in an active market and whose fair value - because of the initial phase of the company's activity - is based on incurred cost.

Long-term intercompany bonds include acquired debt instruments – bonds with an original maturity exceeding 1 year.

Non-current financial assets measured at fair value through profit or loss is share call options of Polimex-Mostostal S.A.

Derivatives comprise the valuation of interest rate hedging transactions (Interest Rate Swap) and valuation of currency risk hedging transactions (forward).

The fair value of derivatives is determined by calculating the net present value based on two yield curves, i.e. the curve to determine the discount factor and curve used to estimate future rates of variable reference rates.

Short-term intercompany bonds include acquired debt instruments – bonds with an original maturity not exceeding 1 year.

(all amounts in PLN '000, unless specified otherwise)

The table below presents the analysis of financial instruments measured at fair value and classified into the following three levels:

Level 1 – fair value based on stock exchange prices (unadjusted) offered for identical assets or liabilities in active markets,

Level 2 – fair value determined based on market observations instead of market quotations (e.g. direct or indirect reference to similar instruments traded in the market),

Level 3 – fair value determined using various valuation methods, but not based on any observable market information.

	<b>30.06.2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Call option	-	46 121	-	46 121
Interest Rate Swap used for hedging	-	26 995	-	26 995
<b>Total</b>	<b>-</b>	<b>73 116</b>	<b>-</b>	<b>73 116</b>
<b>Financial liabilities measured at fair value through profit or loss</b>				
Interest Rate Swap used for hedging	-	32	-	32
<b>Total</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>32</b>

	<b>31.12.2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Interest Rate Swap used for hedging	-	40 267	-	40 267
<b>Total</b>	<b>-</b>	<b>40 267</b>	<b>-</b>	<b>40 267</b>

## 15. Loans, borrowings and debt securities

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Long-term</b>		
Bank loans	1 756 156	1 552 654
Bonds	4 607 718	4 365 668
<b>Total</b>	<b>6 363 874</b>	<b>5 918 322</b>
<b>Short-term</b>		
Bank loans	83 321	70 767
Bonds	114 051	65 439
<b>Total</b>	<b>197 372</b>	<b>136 206</b>
<b>Total loans, borrowings and debt securities</b>	<b>6 561 246</b>	<b>6 054 528</b>

### Loans

At present Enea S.A. has loan agreements concluded with EIB for a total amount of PLN 2,371,000 thousand (agreement A for PLN 950,000 thousand, agreement B for PLN 475,000 thousand and agreement C for PLN 946,000 thousand).

The funds from EIB are designated for financing of long-term investment plan for the modernization and extension of the power grids of Enea Operator Sp. z o.o. Funds from Agreement A and B are fully utilized and the availability period for Agreement C is December 2017. (Enea S.A. obtained the consent of the EIB to extend the availability period till the end of 2017). Interest rate on loans can be fixed or floating.

In January 2017, Enea S.A. drawn the third tranche of a loan within C Agreement with the European Investment Bank in the amount of PLN 250,000 thousand. The loan is denominated in PLN with a floating interest rate based on the WIBOR

(all amounts in PLN '000, unless specified otherwise)

6-month plus the Bank's margin. The tranche will be repaid in installments, and the final loan repayment is planned for December 2031.

No.	Lender	Date of agreement	Total amount	Outstanding as at 30.06.2017	Outstanding as at 31.12.2016	Term of agreement
1.	Europejski Bank Inwestycyjny	18 October 2012 and 19 June 2013 r. (A and B)	1 425 000	1 391 087	1 425 000	31 December 2030
2.	Europejski Bank Inwestycyjny	29 May 2015 r. (C)	946 000	450 000	200 000	31 March 2032
3.	Bank PKO BP S.A.	28 January 2014, Annex no. 1 from 25 January 2017	300 000	-	-	31 December 2019
4.	Bank PEKAO S.A.	28 January 2014, Annex no. 1 from 25 January 2017	150 000	-	-	31 December 2019
<b>TOTAL</b>			<b>2 821 000</b>	<b>1 841 087</b>	<b>1 625 000</b>	
Transaction costs and the valuation effect according to the effective interest rate				(1 610)	(1 579)	
<b>TOTAL</b>			<b>2 821 000</b>	<b>1 839 477</b>	<b>1 623 421</b>	

#### Bond issue programmes

Enea S.A. concludes agreements for bonds issue programs to finance current operations and investments of Enea S.A. and its subsidiaries.

(all amounts in PLN '000, unless specified otherwise)

No.	Name of bonds issue programme	Date of the conclusion of programme	Amount of the programme	Amount issued as at 30.06.2017	Amount issued as at 31.12.2016	Redemption date
1.	Bonds Issue Programme Agreement with PKO BP S.A., Bank Pekao S.A., BZ WBK S.A. and Bank Handlowy w Warszawie S.A.	21 June 2012	3 000 000	2 091 000	1 951 000	Redemption from June 2020 till June 2022
2.	Bonds Issue Programme Agreements with Bank Gospodarstwa Krajowego	15 May 2014	1 000 000	1 000 000	1 000 000	Redemption in installments, final maturity is December 2026
3.	Bonds Issue Programme Agreements with ING Bank Śląski S.A., PKO BP S.A., Bank PEKAO S.A. and mBank S.A.	30 June 2014	5 000 000	1 500 000	1 500 000	Redemption of a given series in February 2020 and September 2021
4.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	3 December 2015	700 000	150 000	-	Redemption in installments, final maturity is September 2027.
<b>TOTAL</b>			<b>9 700 000</b>	<b>4 741 000</b>	<b>4 451 000</b>	
Transaction costs and the result of the effective interest rate measurement				(19 231)	(19 893)	
<b>TOTAL</b>			<b>9 700 000</b>	<b>4 721 769</b>	<b>4 431 107</b>	

In first half of the 2017 Enea S.A. did not amend the program agreements, and did not enter into new agreements.

#### **Bonds Issue Programme Agreements up to PLN 700,000 thousand**

In March 2017 Enea S.A. issued first tranche of bonds of PLN 150,000 thousand under this Programme.

#### **Bonds Issue Programme Agreements up to PLN 3,000,000 thousand**

In April 2017 Enea S.A. under the Programme issued IX series of bonds of PLN 140,000 thousand. Bonds interest rate is based on a variable interest rate, and the bond redemption date is 15 June 2022.

#### **Transactions hedging interest rate risk**

During the 6-month period ended 30 June 2017 Enea S.A. did not conclude transactions to hedge interest rate risk (Interest Rate Swap). As at 30 June 2017, the total value of the IRS transactions amounted to PLN 4,435,000 thousand. Concluded transactions will substantially affect the predictability of cash flows and financial costs. The valuation of these financial instruments is presented in "Derivatives".

As at 30 June 2017 the valuation of derivatives amounted to PLN 26,995 thousand (as at 31 December 2016: PLN 40,267 thousand).

(all amounts in PLN '000, unless specified otherwise)

### Transactions hedging currency risk

During the 6-month period ended 30 June 2017 the Company entered into FX FORWARD transactions for the total volume EUR 497 thousands. Settlement date of the last transaction falls on December 2017. As at 30 June 2017 the valuation of instruments amounted PLN 32 thousand (as at 31 December 2016 PLN 0 thousand)

### Financing conditions – covenants

Financing agreements assume compliance by the Company and the Group with certain financial ratios. As at 30 June 2017 and the date of these condensed interim separate financial statements, the Company did not breach the regulations of loan agreements, on the basis of which the Company would be required to early repayment of long-term debt.

### 16. Other financial liabilities

Cash management in Enea Group is performed by Enea S.A., allowing efficient cash surplus management (economies of scale) and reduction of external financing costs. Cash management covers subsidiaries which constitute Enea Tax Group and is based on “Cash management system between groups of bank accounts” – cash pooling.

Under this service at the end of each day cash surplus from a bank accounts of a participant is transferred to a bank account of the Pool Leader – Enea S.A. On the next day account balances are reversed and cash transferred back to the bank account of the participant.

### 17. Deferred income tax

Changes in the deferred tax asset (after the net-off of the asset and liability):

	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>Opening balance</b>	<b>48 562</b>	<b>63 316</b>
Change recognized in profit or loss	(17 582)	(7 193)
Change recognized in other comprehensive income	2 974	(7 561)
<b>Closing balance</b>	<b>33 954</b>	<b>48 562</b>

During 6-month period ended 30 June 2017, the Company's profit before tax was debited with PLN 17,582 thousand as a result of decrease in net deferred tax asset (during the period of 6 months ended 30 June 2016, the Company's profit before tax was debited with PLN 1,924 thousand as a result of decrease in net deferred tax asset).

### 18. Provisions for liabilities and other charges

Non-current and current provisions for liabilities and other charges::

	<b>30.06.2017</b>	<b>31.12.2016</b>
Non-current	15	4 146
Current	230 393	283 166
<b>Total</b>	<b>230 408</b>	<b>287 312</b>

(all amounts in PLN '000, unless specified otherwise)

	Provision for non-contractual use of property	Provision for other lodged claims	Provisions for certificates of origins	Total
<b>Balance as at 01.01.2017</b>	<b>9 220</b>	<b>6 872</b>	<b>271 220</b>	<b>287 312</b>
Provisions applied	263	46 654	141 101	<b>188 018</b>
Provisions used	(16)	(561)	(238 389)	<b>(238 966)</b>
Reversal of provisions	(5 319)	(637)	-	<b>(5 956)</b>
<b>Balance as at 30.06.2017</b>	<b>4 148</b>	<b>52 328</b>	<b>173 932</b>	<b>230 408</b>

A description of material claims and contingent liabilities has been presented in note 22.2.

During the 6-month period ended 30 June 2017 the provision for other liabilities and charges decreased by the net amount of PLN 56,904 thousand, mainly due to fulfilling the obligation related to sale to end users of electricity generated in a renewable source or in cogeneration – decision of the President of the Energy Regulatory office regarding the obligation for 2016 obligation (in the period of 6-months ended 30 June 2016, the provisions for other liabilities and charges increased by PLN 44,974 thousand).

In the first half of 2017, Enea S.A. recognized provision in the amount of PLN 44,177 thousand for potential claims related to the termination by Enea S.A. contracts for the purchase of certificates of origin energy from renewable sources.

## 19. Dividend

On the 26 June 2017 the General Shareholders' Meeting of Enea S.A. adopted resolution no. 6 concerning net profit distribution for the financial period from 1 January 2016 to 31 December 2016 under which the dividend for the shareholders amount to PLN 110,361 thousand. Dividend per share amounted to PLN 0.25.

The Company did not pay out the dividend for the financial year from 1 January 2015 to 31 December 2015 due to the net loss incurred in that period. On 27 June 2016, the Extraordinary General Meeting of Shareholders of ENEA S.A. adopted Resolution no. 7 on the coverage of the net loss of PLN 1,116,888 thousand for the financial year from 1 January 2015 to 31 December 2015 from retained earnings.

## 20. Related party transactions

The Company concludes transactions with the following related parties:

### 1. Companies of the Enea Group

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Purchases, including:</b>	<b>2 337 131</b>	<b>2 178 918</b>
materials	309	245
services	852 157	785 454
other (including energy and gas)	1 484 665	1 393 219
<b>Sales, including:</b>	<b>149 008</b>	<b>143 309</b>
energy	134 358	127 604
services	880	623
other	13 770	15 082

(all amounts in PLN '000, unless specified otherwise)

<b>Interest income, including:</b>	<b>84 431</b>	<b>73 899</b>
bonds	84 341	73 792
loans	90	107
<b>Dividend income</b>	<b>797 727</b>	<b>548 874</b>
	<b>30.06.2017</b>	<b>31.12.2016</b>
Receivables	874 421	201 837
Financial assets - bonds	5 965 411	5 623 113
Loans granted	173 115	150 827
Liabilities	478 889	505 681
Other financial liabilities	780 200	166 653

In accordance with Corporate Income Tax Act regulations concerning conclusion on transactions under arm's length do not apply to legal entities comprising tax group. Transactions with group entities which are not part of the Tax Group are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities.

## 2. Transactions concluded between the Company and members of its governing bodies fall within two categories

- those related to the appointment of Members of Supervisory Boards,
- resulting from other civil law agreements.

The value of the above transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Remuneration under managerial and consultancy agreements	3 099**	8 844*	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	-	402	228
<b>TOTAL</b>	<b>3 099</b>	<b>8 844</b>	<b>402</b>	<b>228</b>

\* Remuneration includes bonuses for 2015 and compensation resulting from non - competition agreements for former members of the Management Board in the amount PLN 7,105 thousand

\*\* Remuneration includes bonuses for 2016 in the amount PLN 1,749 thousand

During the 6-month period ended 30 June 2017 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (PLN 0 thousand during the 6-month period ended 30 June 2016). During this period repayments of these loans amounted to PLN 2 thousand (PLN 8 thousand during the 6-month period ended 30 June 2016).

Other transactions resulting from civil law agreements concluded between the Company and Members of its governing bodies relate only to private use of company cars by Members of the Company's Management Board.

(all amounts in PLN '000, unless specified otherwise)

### 3. Transactions with entities controlled by the State Treasury

Enea S.A. also concludes business transactions with entities of the central and local administration and entities whose shares are held by the State Treasury of the Republic of Poland.

The transactions concern mainly:

- purchase of electricity and property rights resulting from certificates of origin as regards renewable energy and energy cogenerated with heat from companies whose shares are held by the State Treasury and;
- sale of electricity, distribution services and other related fees, provided by the Company both to central and local administration bodies (sale to end users) and entities whose shares are held by the State Treasury (wholesale and retail sale to end users).

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities. As the Company does not keep a record of the aggregate value of all transactions concluded with all state institutions and entities controlled by the State Treasury, the turnover and balances of transactions with related parties disclosed in these separate financial statements do not include data related to transactions with entities controlled by the State Treasury.

## 21. Future liabilities under contract concluded at the end of the reporting period

As at 30 June 2017 and 31 December 2016, the company did not have any contractual obligations related to the acquisition of property, plant and equipment and intangible assets, which were not recognized in the statement of financial position.

## 22. Contingent liabilities and proceedings before court, bodies competent to conduct arbitration proceedings or public administration bodies

### 22.1. Sureties and guaranties

In the first half of 2017 Enea S.A. did not conclude any surety agreement as the Guarantor.

The table below presents actual relevant bank guarantees issued by Enea S.A. under the agreement concluded with BZ WBK S.A. up to the limit specified therein as at 30 June 2017.

Date of guarantee	Guarantee period	Company from Enea Group	Guarantee for	Bank - issuer	Guarantee value in PLN thousand
12.06.2015	31.05.2018	Enea Wytwarzanie Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	7 000
29.06.2015	31.05.2018	Enea Trading Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	15 000
01.01.2016	11.08.2018	Enea S.A.	Górecka Projekt Sp. z o.o.	BZ WBK S.A.	1 662
21.12.2016	30.01.2018	Enea S.A.	Urząd Marszałkowski Województwa Zachodniopomorskiego w Szczecinie	BZ WBK S.A.	1 325
<b>Total of guarantees issued</b>					<b>24 987</b>

(all amounts in PLN '000, unless specified otherwise)

The value of remaining guarantees granted by Enea S.A as at 30 June 2017 amounted to PLN 3,750 thousand. The total value of guarantees granted by ENEA S.A. to secure liabilities of ENEA Capital Group companies as at 30 June 2017 amounted to PLN 236,336 thousand.

## 22.2. Pending proceedings before courts of general jurisdiction

### Pending proceedings before courts of general jurisdiction

Actions which Enea S.A. brought to common courts of law refer to claims for receivables due to supply of electricity and claims for other receivables – illegal consumption of electricity, connections to the power grid and other specialist services rendered by the Company.

As at 30 June 2017, the total of 13,966 cases brought by the Company were pending before common courts for the total amount 56,784 thousand (12,350 cases for the total amount of PLN 55,196 thousand as at 31 December 2016).

None of these cases can significantly affect the Company's net profit.

### Actions brought against the Company

Actions against the Company are brought both by natural and legal persons. They mainly refer to such issues as compensation for interrupted delivery of electricity, identification of illegal electricity consumption and compensation for the Company's use of real property where electrical devices are located. The Company considers actions concerning non-contractual use of real property not owned by the Company as particularly important.

As at 30 June 2017, the total of 187 cases against the Company were pending before common courts for the total amount PLN 173,165 thousand (190 cases for the total amount of PLN 54,218 thousand as at 31 December 2016). Provisions related to the court cases are presented in note 18.

None of these cases can significantly affect the Company's net profit.

## 22.3. Motions for settlement of not balanced energy trading in 2012

On 30 and 31 December 2014 Enea S.A. submitted motions for settlement to:

	<b>Claimed amounts in PLN thousand</b>
PGE Polska Grupa Energetyczna S.A.	7 410
PKP Energetyka S.A.	1 272
TAURON Polska Energia S.A.	17 086
TAURON Sprzedaż GZE Sp. z o.o.	1 826
FITEN S.A.	207
<b>Total</b>	<b>27 801</b>

(all amounts in PLN '000, unless specified otherwise)

The subject of motions was claim for the payment of electric energy consumed under the system of energy balancing in 2012. Claimed companies earned unjustified benefits by refusing Enea S.A. to issue invoice corrections for 2012. Till the reporting date some proceedings were conducted but claims of Enea S.A. were not accepted.

In the absence of amicable settlement of the above case, Enea S.A. filed the following lawsuits against entities mentioned above:

- FITEN S.A. - lawsuit of 24 November 2015,
- TAURON Polska Energia S.A. – lawsuit of 10 December 2015,
- TAURON Sprzedaż GZE Sp. z o. o. – lawsuit of 10 December 2015,
- PKP Energetyka S.A. – lawsuit of 28 December 2015,
- PGE Polska Grupa Energetyczna S.A. – lawsuit of 29 December 2015.

In the case against FITEN S.A. the court in the second instance dismissed the Enea S.A. appeal. Currently the Company expects a written justification of the verdict. In other proceedings, there have been no settlement of disputes.

#### **22.4. Dispute concerning energy origin certificate prices.**

Before the District Court in Poznań the proceeding brought by PGE Górnictwo i Energetyka Konwencjonalna S.A. is pending against the Company for the payment of PLN 42,351 thousand concerning the payment for purchased certificates of origin (lawsuit of 30 May 2016). Enea S.A. made a deduction from the payment part of liabilities for certificates of origin (resulting from invoices for certificates of origin) in respect of a damage caused by PGE GiEK S.A. to Enea S.A. The damage resulted from the fact that PGE GiEK S.A. did not fulfill the contractual obligation to accede to renegotiate long-term contracts for certificates of origin in accordance with the adaptive clause applicable to both Parties..

A reply to the action brought by PGE GIEK S.A. was made on 11 August 2016. In response Enea S.A. filed to dismiss the lawsuit. Currently the parties are participating in mediation proceedings.

Before the District Court in Poznan, roll two more cases of identical nature. Furthermore, there are two cases proceeded by the District Court in Poznan to determine the ineffectiveness of termination (withdrawal) by Enea S.A. of contracts of sale of property rights.

#### **23. The participation in the construction of the atomic power plant programme**

On 3 September 2014, a Shareholders' Agreement was concluded by and between PGE Polska Grupa Energetyczna, Tauron Polska Energia, Enea and KGHM Polska Miedź (the Business Partners). On 15 April 2015, in accordance with the Shareholders' Agreement, an agreement on the sale of shares in PGE EJ 1 Sp. z o.o. was concluded, as a result of which each Business Partner purchased 10% of shares in PGE EJ 1. As a result of the sale of the shares in PGE EJ 1 by PGE Polska Grupa Energetyczna to the Business Partners, PGE Polska Grupa Energetyczna holds a 70% interest in the share capital of PGE EJ 1, and the other Business Partners (Tauron Polska Energia, Enea and KGHM Polska Miedź) hold 30% thereof, i.e. each of them holds 10%.

(all amounts in PLN '000, unless specified otherwise)

According to the assumptions, PGE Polska Grupa Energetyczna performs the role of the leader of the project to construct and operate the first Polish atomic power plant, and PGE EJ 1 is to perform the function of the operator of the power plant in the future.

According to the Shareholders' Agreement, the Parties undertake to finance the activities as part of the initial phase of the Project (the Development Stage) jointly, in proportion to the interests they hold. Enea's financial commitment during the Development Stage will not exceed approx. PLN 107 million.

During the first half of 2017, PGE EJ 1 continued their work on the preparation to the construction of the atomic power plant in Poland project.

The Shareholders Agreement parties predict that subsequent decision on the declaration of further participation of the Parties in the next phase of the project will be taken after the completion of the Initial Phase.

#### **24. Acquisition of shares of Polimex–Mostostal S.A.**

On 6 December 2016, negotiations were commenced between Enea S.A. and the following companies: Energa S.A., PGE Polska Grupa Energetyczna S.A., PGNiG S.A. (Investors) and between the Investors and Polimex-Mostostal S.A. (Polimex). The aim of the negotiations was to develop the structure of a possible capital involvement of the Investor in Polimex (Investment) and develop a possible model of co-operation between the Investors when carrying out the Investment.

On 27 December 2016, Enea S.A. concluded a letter of intent with the Investors and Polimex, in which the Investors expressed their intention to consider a possible investment in Polimex and based on which they commenced talks with Polimex, aimed at developing detailed parameters of the transaction.

At the same time, on that day, the Company along with the Investors submitted a request to the Office of Competition and Consumer Protection (UOKiK) for the consent of the President of the UOKiK to concentration consisting in the acquisition, by the Investors, of joint control of Polimex. The consent to the concentration consisting in the acquisition, by the Investors, of the joint control of Polimex referred to above was issued on 18 January 2017.

At the same time, also on 18 January 2017, the Company entered into an investment agreement with the Investors and Polimex, under which the Investors undertook to invest in Polimex. The investment shall consist in the Investors' subscribing, in total, for 150 million shares issued by Polimex. The company undertook to subscribe for 37.5 million shares of the new issue for the total issue price of PLN 75 million. The agreement was concluded under conditions precedent described in detail in Current Report 2/2017. Along with the above mentioned agreement, agreements specifying the principles of co-operation as well as mutual rights and obligations of the Investors when carrying out the above mentioned investment were concluded, as well as additional agreements related to the implementation of the investments, concluded with the creditors and hitherto shareholders of Polimex.

On 20 January 2017, due to the fulfilment of the conditions precedent contained in the investment agreement referred to above the Company accepted the offer, submitted by the management board of Polimex, of private subscription for 37.5 million shares at the issue price of PLN 2 per share, i.e. for the total issue price of PLN 75 million. In addition, under one of the above additional agreements, on 20 January 2017, the Company acquired 1.5 million shares of Polimex from its hitherto shareholder. The purchase price of all shares amounted of PLN 80.6 million. Enea S.A. acquired 16.48 % stake in share capital of the company.

(all amounts in PLN '000, unless specified otherwise)

On 21 March 2017 Investors announced a tender offer for shares of Polimex as a result of exceeding the 33% threshold of the total number of votes at the general meeting of Polimex. Tender offer is of secondary nature and Investors intend to acquire in tender offer shares in excess of number of shares currently held by Investors (i.e. in total 65.93% of the total number of votes in Polimex) and get no more than 66% of total votes at the general meeting of Polimex. As a result of tender offer each of Investors (including Enea) intends to get no more than approximately 0.018% of total votes at the general meeting of Polimex. The call was settled on 28 April 2017 and, as a result, each Investor purchased 24 shares in Polimex. At present, the Company holds 39,000,024 shares in Polimex, representing a 16.48% interest in the share capital of Polimex.

## **25. Acquisition of shares of ENGIE Energia Polska S.A. (currently Enea Elektrownia Połaniec S.A.)**

On 30 September 2016 Enea S.A. submitted an offer for the purchase of 100% of shares in ENGIE Energia Polska S.A. The offer was submitted according to the description in the process initiated by ENGIE, the owner of 100% of the shares in ENGIE Energia Polska. On 2 December 2016 the Company obtained exclusivity rights to further negotiations of the purchase of 100% of shares in ENGIE Energia Polska S.A., owned by ENGIE.

On 23 December 2016, the Company signed with ENGIE Energia Polska S.A. a conditional agreement on sale of 100% of shares of ENGIE Energia Polska S.A. (Agreement), and indirectly also 100% of shares in ENGIE BioenergiaSp. z o.o.

The closure of the transaction is subject to the fulfilment of the following significant conditions precedent:

- obtaining consent of the Minister of Energy, pursuant to the Act on Control of Certain Investments,
- obtaining consent of the President of OUKiK for the concentration,
- waiving of the pre-emption right by the President of the Agricultural Market Agency, and
- performing the conversion of debt of ENGIE Energia Polska S.A. towards entities of the ENGIE group into equity in ENGIE Energia Polska S.A.

On 28 February 2017, the Company received the information on the satisfaction of the last of the said conditions, which means that all the conditions precedent have been satisfied.

On 2 March 2017 the Company received the calculation of the initial selling price of 100% of shares in ENGIE Energia Polska SA in the amount of PLN 1,264,159,355 from ENGIE International Holdings B.V.

On 14 March 2017 Enea S.A. acquired 100% of shares in ENGIE Energia Polska S.A., i.e. 7,135,000 shares entitled to the same amount of votes for the initial price of PLN 1,264,159,355.

Transaction is consistent with Enea Capital Group's Development Strategy until 2030 approved in September 2016. With this transaction the Company will increase its share in domestic electricity production and will be vice-leader of Polish market of electricity producers.

## **26. Realization of the Investment Agreement with Energa S.A. and Elektrownia Ostrołęka S.A. on the construction and operation of a power unit in Ostrołęka Power Plan**

On 19 September 2016 Enea S.A. signed a letter of intent with Energa S.A. on engaging in cooperation in preparing, completing and utilizing a modern 1,000 MW coal-fired unit in Elektrownia Ostrołęka (the Investment, Ostrołęka C).

(all amounts in PLN '000, unless specified otherwise)

The Parties' intention is to jointly develop an effective business model for Ostrołęka C, verify its documentation and optimize the technical and economic parameters of the new power generation unit. Cooperation also includes conducting a tender to appoint a general contractor for the Project.

The Parties have agreed that the completion of the Project will have a positive impact on Poland's energy security, will meet the highest environmental standards and will ensure yet another stable, highly efficient and low-emission source of energy within the National Grid.

On 8 December 2016, the Company concluded the Investment Agreement on the implementation of the project Ostrołęka C. The subject of the Agreement is to prepare, construct, and operate the power unit referred to above. Pursuant to the Agreement signed, the co-operation will proceed, as a rule, as part of three stages: Development Stage – until the general contractor is instructed to commence the work; Construction Stage – until Ostrołęka C is commissioned for the purposes of commercial operation, and Operation Stage – commercial operation of Ostrołęka C.

After the Development Stage is completed, Enea S.A. is obliged to participate in the Construction Stage, provided, however, that the condition of profitability of the Project is met, and financing the Project does not infringe bank covenants of the Company. It is estimated that the total investment outlays of Enea S.A. until the completion of the Development Stage will total approx. PLN 128 million. For the purposes of the implementation of the investment, Energa S.A. shall dispose of shares of Elektrownia Ostrołęka S.A., constituting 50% in the share capital, in favor of Enea S.A., in price PLN 101 million. The condition precedent for the entry into force of the Investment Agreement was obtaining the consent of the President of UOKiK for the concentration consisting in the acquisition of shares of the special purpose vehicle established to implement the Project. The condition was fulfilled on 11 January 2017.

On 19 December 2016, the special purpose vehicle announced a tender procedure to select the general contractor for the construction of the Ostrołęka C power plant with capacity of approx. 1000 MW and net fuel efficiency of at least 45 %, operating on supercritical steam parameters. Elektrownia Ostrołęka S.A., if certain assumptions are implemented (including an adequate share of Enea S.A., Energa S.A. and possible Financial Investors), and assuming that Capacity Market or other assistance mechanisms are introduced, will be able to undertake the comprehensive implementation of the Project.

On 1 February 2017, Enea S.A. concluded with ENERGA S.A. an Agreement on the Purchase of 24,980,926 Shares in Elektrownia Ostrołęka S.A. for a total of PLN 24 million, thereby acquiring an 11.89% interest in the company's share capital.

On 13 April 2017, the Extraordinary General Shareholders' Meeting of Elektrownia Ostrołęka S.A. adopted a resolution on increasing the company's share capital from PLN 210,100 thousand to PLN 229,100 thousand by issuing new shares. In a private subscription, Enea S.A. acquired 9,500,000 shares in consideration for the contribution in cash which was made on 28 April 2017. After taking up new issue shares, Enea increased its share in the share capital of Elektrownia Ostrołęka S.A. to 15.1%. On 27 June 2017, Enea S.A. concluded an Agreement on the Purchase of 20,017,269 shares in Elektrownia Ostrołęka S.A. with Energa S.A. for a total of PLN 19.2 million and increasing its share in the share capital in Elektrownia Ostrołęka S.A. to 23.79%.

## **27. Recapitalization in Polska Grupa Górnicza Sp. z o.o.**

In relation to the process of acquiring capital investors by Katowicki Holding Węglowy S.A., in July 2016 Enea S.A. started talks with possible investors on the possibility of implementation of the Investment and its possible parameters.

(all amounts in PLN '000, unless specified otherwise)

On 28 October 2016, Enea S.A. signed with Węglokoks S.A. and Towarzystwo Finansowe Silesia Sp. z o.o. (Investors) a letter of intent expressing preliminary interest in financial involvement in Katowicki Holding Węglowy S.A. or KHW's assets.

Due to the interest of Polska Grupa Górnicza Sp. z o.o. (PGG) in acquiring selected assets of Katowicki Holding Węglowy S.A. and the commencement of the process of recapitalization in PGG, Enea S.A. conducted the necessary analyses of the Business Plan presented by PGG with the existing PGG Shareholders and expressed its interest in capital commitment in Polska Grupa Górnicza Sp. z o.o.

On 30 March 2017, the Supervisory Board of Enea S.A. approved the Company's entering into Polska Grupa Górnicza Sp. z o.o. and taking up new shares in PGG's capital with a nominal value of PLN 300 million in consideration for the contribution in cash of PLN 300 million.

On 31 March 2017, the Company concluded:

- an investment agreement specifying the conditions for the financial investment in PGG (Investment Agreement);
- an arrangement relating to the exercise of a joint control over PGG (the Investors' Arrangement).

#### Investment Agreement

The Parties to the Investment Agreements are: Enea S.A., ENERGA Kogeneracja Sp. z o.o., PGE Górnictwo i Energetyka Konwencjonalna S.A., PGNiG TERMIKA S.A., Węglokoks S.A., Towarzystwo Finansowe Silesia Sp. z o.o., Fundusz Inwestycji Polskich Przedsiębiorstw Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych) (the Investors) and PGG. The Investment Agreement provided that PGG would acquire selected mining assets from Katowicki Holding Węglowy S.A. on the basis of the final agreement which was concluded on 1 April 2017.

The Investment Agreement regulates the course of the Investment and the Company's entering into PGG, principles of operation of PGG and its authorities, and also the terms under which the parties may exit from the investment in PGG.

As part of PGG recapitalization the Company undertook to subscribe for new shares in PGG with the total nominal value of PLN 300 million in consideration for the contribution in cash amounting to PLN 300 million, in three stages:

- a) as the first stage the Company subscribed for the new shares in PGG totaling to PLN 150 million in consideration for the contribution in cash amounting to PLN 150 million. After taking up the shares the Company holds a 4.39% share in PGG's share capital. The first recapitalization was performed in April 2017;
- b) as the second stage the Company subscribed for the new shares in PGG totaling to the PLN 60 mln in consideration for the contribution in cash amounting 60 million. After taking up the shares the Company holds 5.81% share in PGG's share capital. The second recapitalization was performed in June 2017;
- c) as the third stage the Company will subscribe for the new shares in PGG totaling to PLN 90 million in consideration for the contribution in cash amounting to PLN 90 million. After taking up the shares the Company will hold a 7.66% share in PGG's share capital. The third recapitalization is to be performed in the first quarter 2018.

The Agreement regulates the principles of appointing members of the Supervisory Board, according to which each of the Investors and the State Treasury will be entitled to nominate one member of the Supervisory Board composed of eight members maximally.

The Investment is in line with Enea Capital Group's Development Strategy whose one element is securing the base of commodities for the conventional power engineering.

(all amounts in PLN '000, unless specified otherwise)

### Investors' Arrangement

According to the Investors' Arrangement, the Company jointly with ENERGA Kogeneracja Sp. z o.o., PGE Górnictwo i Energetyka Konwencjonalna S.A., PGNiG TERMIKA S.A. and Fundusz Inwestycji Polskich Przedsiębiorstw, Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (the Controlling Shareholders) took over control over PGG. The Investors' Arrangement regulates the principles of determining a common position of the Controlling Shareholders as regards the decisions relating to PGG.

Furthermore, on 31 March 2017 a letter of intent signed on 16 October 2016 by Enea S.A., Węglokoks S.A. and Towarzystwo Finansowe Silesia Sp. z o.o., concerning the previously analyzed capital investment in Katowicki Holding Węglowy S.A. was terminated.

## **28. Initial offer for acquisition of EDF's assets in Poland**

On 16 September 2016, Enea S.A., together with PGE S.A., Energa S.A., and PGNiG Termika S.A. (Business Partners), jointly submitted to EDF International SAS (EDF) a preliminary non-binding offer for the purchase of shares in companies belonging to EDF in Poland, holding conventional generation assets and carrying out service activities.

On 30 November 2016, the Company along with Business Partners submitted to EDF a new offer for the purchase of shares in companies belonging to EDF in Poland, holding conventional generation assets and carrying out service activities. The Business Partners submitted the new offer in connection with the upcoming end of the period of validity of the offer submitted on 16 September this year.

On 27 January 2017, the Company along with Business Partners signed an agreement with EDF Investment SAS on negotiations related to the purchase of EDF assets in Poland as well as due diligence process in this scope. The transaction consists of the acquisition of all shares of EDF in EDF Polska S.A. which is, in particular, the owner of 4 combined heat and power plants i.e. Cracow, Gdańsk, Gdynia, and Toruń and heat distribution networks in Toruń, Elektrownia Rybnik, and the acquisition of all shares of EDF in ZEC "Kogeneracja" S.A., which is the owner of 4 combined heat and power plants, i.e. Wrocław, Zielona Góra, Czechnica, and Zawidawie, and heat distribution networks in Zielona Góra, Siechnice, and Zawidawie.

On 15 March 2017 Business Partners amended the structure of the transaction in the following way:

- withdrawal of PGNiG Termika S.A. from the transaction;
- takeover of the so far declared share of PGNiG Termika S.A. in the transaction by PGE S.A., which results in the growth in PGE S.A.'s share in the transaction to 60%;
- maintaining the shares of Enea S.A. and Energa S.A. in the transaction on the same level of 20% for each of the Companies.

The aforementioned amendments in the transaction structure require confirmation of filing no objections by EDF.

On 11 May 2017 the Management Board of Enea S.A. adopted a resolution regarding the Company's resignation from participation in the transaction of acquiring Polish assets belonging to EDF International SAS and EDF Investment II B.V.

## **29. Subsequent events**

Subsequent to June 30, 2017, there were a number of regulatory changes, which could have impact on future performance of the Company. The most important changes are as follows:

(all amounts in PLN '000, unless specified otherwise)

- the adoption of the amendment to the Act on Renewable Energy Sources („RES Act”) on 20 July 2017. The objective of the amendment is to change the way in which the substitution fee is calculated so that the unit substitution fee will be 125% of the annual average price of property rights resulting from certificates of origin,
- the adoption of the amendment to the Act on Water Law („Water Law”) on 20 July 2017. Water Law introduced additional fees in the form of so-called fixed costs paid on quarterly basis to the State Water Company for using water and discharging wastewater. Water Law provides upper maximum rates of fees that may be reduced by regulation.

At present it is not possible to assess influence of changes in legislation on the financial result and the valuation of Group's assets due to, among others, unfinished legislative process and possible agreements with European Commission. In the near future the Group will conduct analysis of the impact of the above changes on the financial statements.

#### **Changes in the composition of the Management Board**

On 24 August 2017 the Supervisory Board of ENEA S.A. adopted resolutions to dismiss Mr Wiesław Piosik from the position of the Member of the Management Board responsible for Corporate Affairs and Mr Mikołaj Franzkowiak from the position of the Member of the Management Board responsible for Financial Affairs. Resolutions came into force on the day they were taken.

The Supervisory Board also delegated, effective immediately, Mr Rafał Szymański –the Member of the Supervisory Board to temporarily perform duties of the Member of the Management Board responsible for Corporate Affairs of ENEA S.A. for the period no longer than 3 months, till appointment of the Member of the Management Board responsible for Corporate Affairs.