



The Group's stable position supports implementation of development plans

Q1-Q3, Q3 2017

We focus on the development and growth in the Group's value



Q1-Q3 2017 financial data



- **PLN 8 398 mln** net sales revenue ✓
- **PLN 1 947 mln** EBITDA ✓
- **PLN 838 mln** net profit ✓
- **PLN 3 123 mln** CAPEX ✓

Q1-Q3 2017 operational data



- **PLN 6 712 thou. t** coal net production ✓
- **PLN 15 178 GWh** electricity generation ✓
- **14 322 GWh** sales of distribution services to end users ✓
- **14 039 GWh** sales of electricity and gas to retail users ✓

Q1-Q3 2017 key investments



- **100%** progress in the construction of a new unit in Kozenice Power Plant as regards the technology ¹⁾ ✓
- Acquisition of **Połaniec Power Plant** ✓
- Equity interest in **Polska Grupa Górnicza** ✓
- Acquisition of shares in **Polimex-Mostostal** ✓

Safety and stable development of an innovative commodity and energy concern

1) State as at November 2017

We are increasing the Group's business potential



RESOURCES



5.2 GW
installed
electric power

413 mln t
potential of
3 licensed areas

121.3 thou. km
of distribution lines
including connections

15.7 thou.
Employees

2.5 mln
Customers

FINANCE Q1-Q3 2017



PLN 8 398 mln
net sales revenue

PLN 1 947 mln
EBITDA

PLN 838 mln
net profit

PLN 3 123 mln
CAPEX

GOALS UNTIL 2025



10.9 mln t
own demand for
bituminous coal

5.8-6.3 GW
installed
conventional
electric power

20.1 GWh
electricity
sales

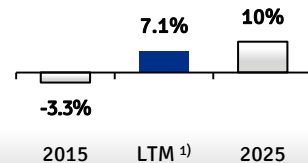
38%
EBITDA growth
vs. 2015

PLN 26.4 bln
basic investment
budget

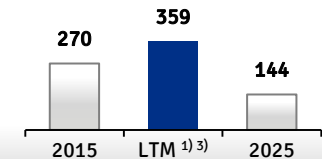
We have been consistently implementing the goals set in the strategy



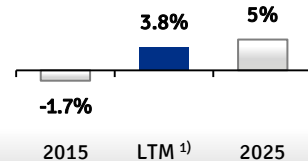
Return on equity (ROE)



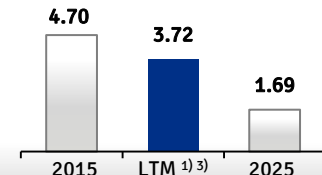
SAIDI [minutes]



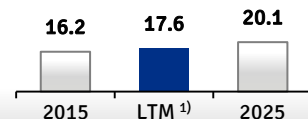
Return on assets (ROA)



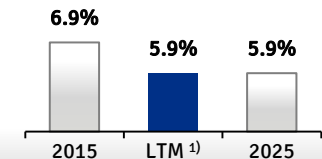
SAIFI



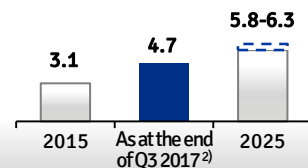
Sales of electricity to end customers [TWh]



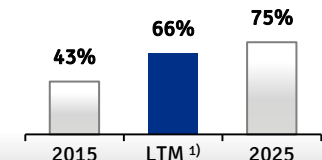
Grid loss in distribution index



Installed conventional generation capacities [GW]



Own annual consumption of bituminous coal



1) LTM for Q4 2016 – Q3 2017

2) Excluding unit No. 11

3) Higher ratios as a result of weather phenomena of an unprecedented strength



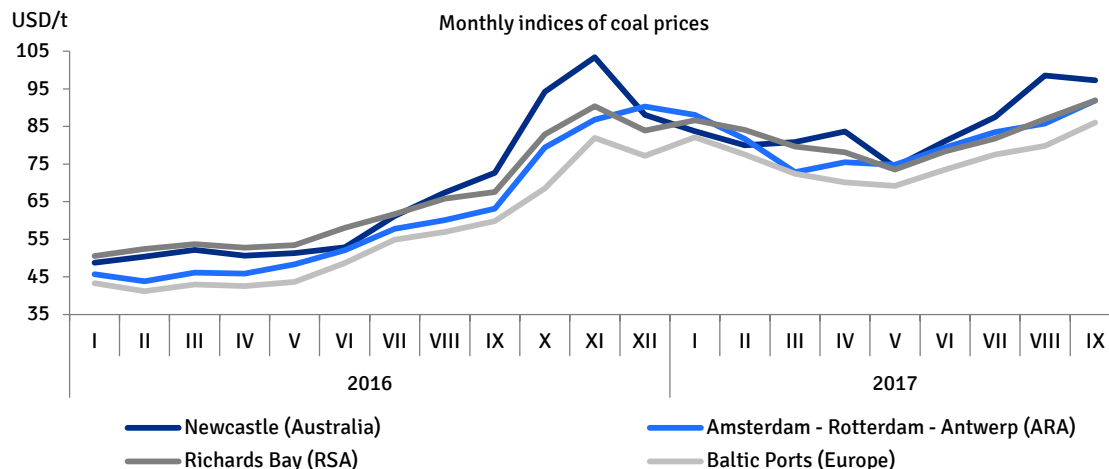
Coal, energy market, operating data

Enea CG's financial results in Q1-Q3 and Q3 2017

LW Bogdanka CG's financial results in Q1-Q3 and Q3 2017

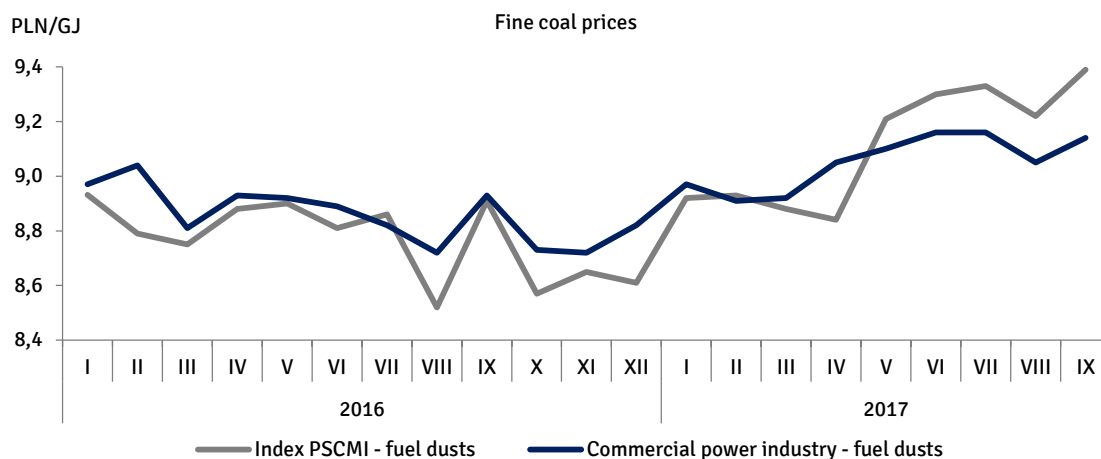
Additional information

Q3 2017 was a period of growths in coal prices on global markets and domestic market



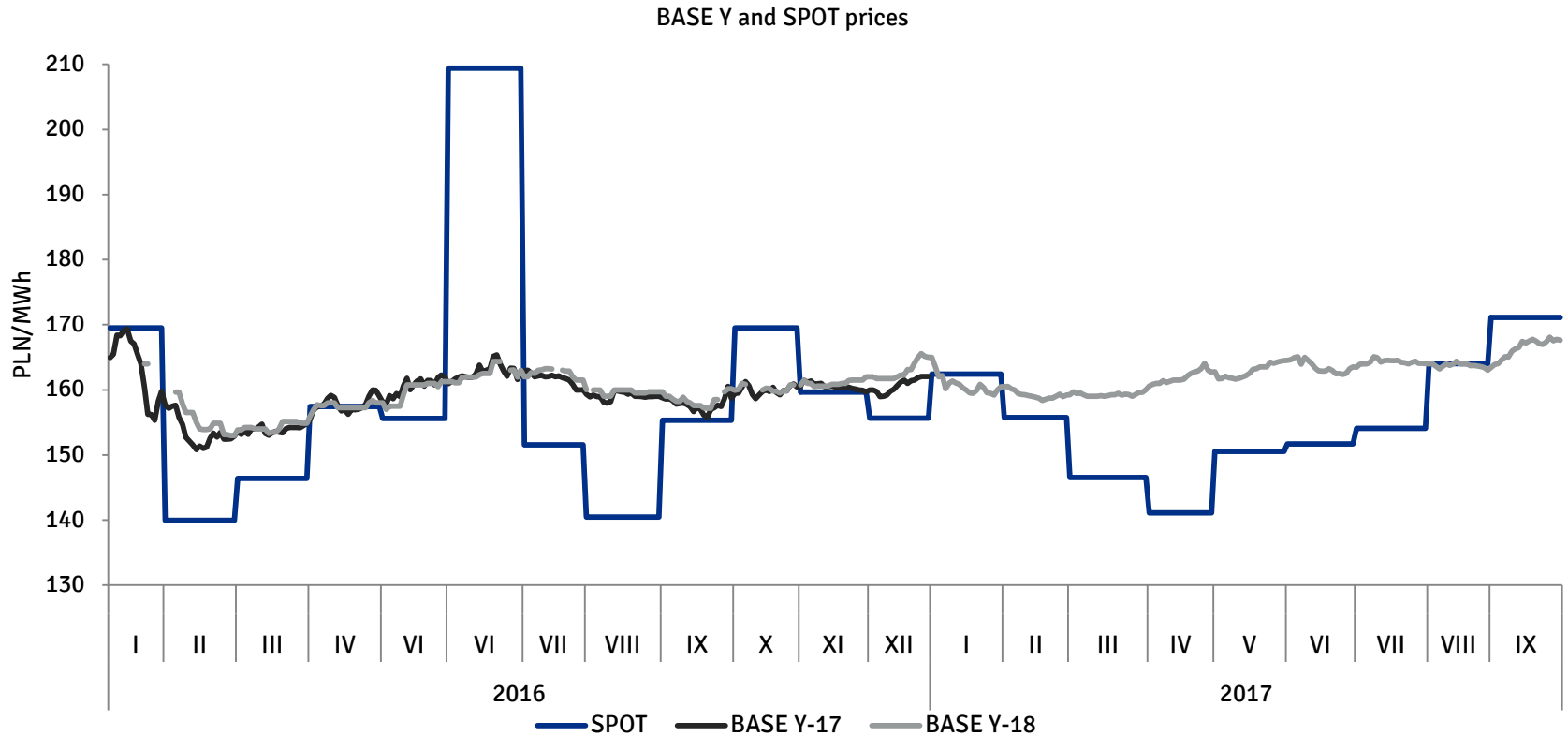
Average prices in Q1-Q3 2017:

- Amsterdam - Rotterdam - Antwerp: 81.51 USD/t
- Richards Bay: 82.35 USD/t
- Newcastle: 85.22 USD/t
- Baltic Ports: 76.49 USD/t



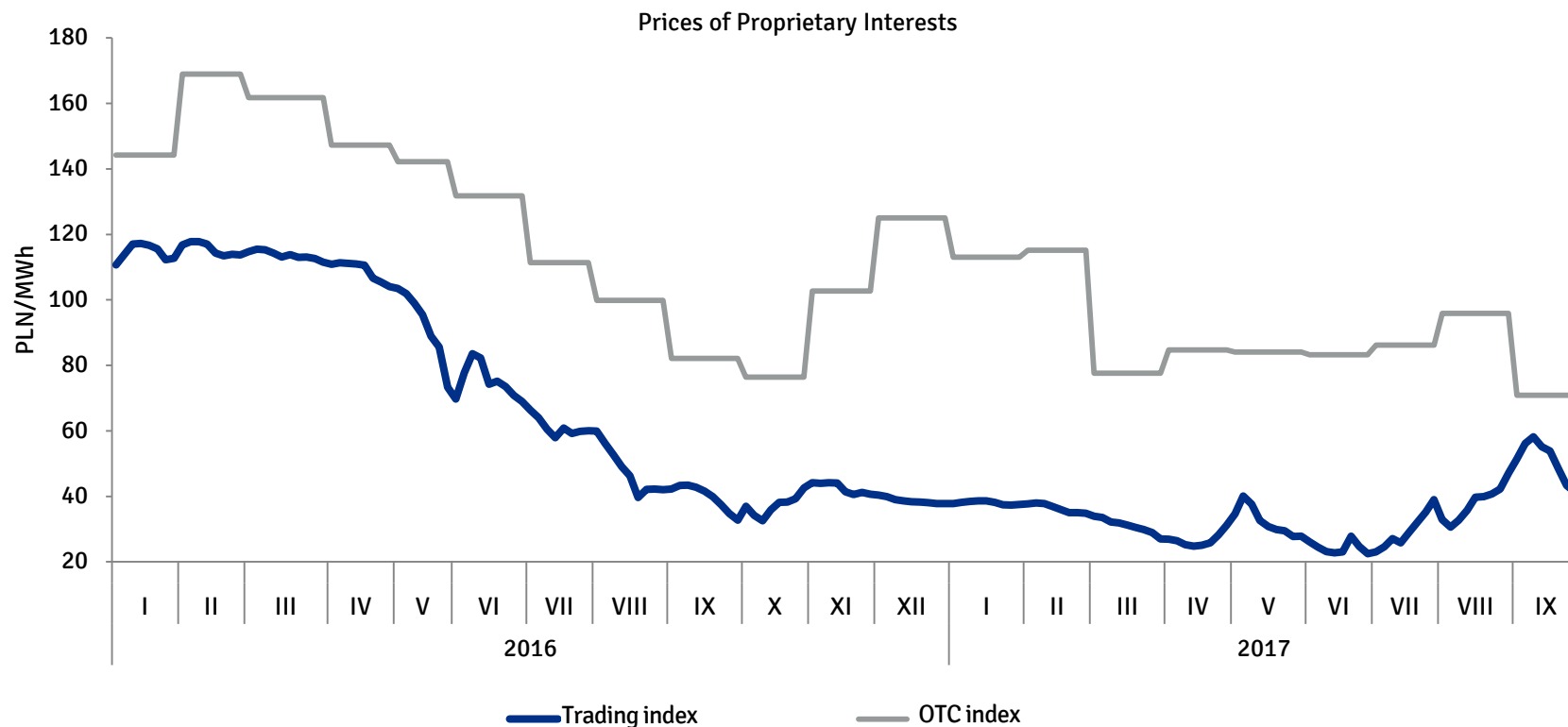
Average price in Q1-Q3 2017 of fine coal for commercial power industry grew by ca. 2.3% yoy

In Q3 2017 growths in prices on the energy market were observed



- Drop in the average price of baseload on SPOT market in Q1-Q3 2017 by 2.0% yoy to 155.19 PLN/MWh
- The average energy price on forward market - baseload for 2018 grew by 3.3% yoy to 167.40 PLN/MWh in 2017

In the period of Q1-Q3 2017 we reported fluctuations of the prices of proprietary interests



- In Q1-Q3 2017 the weighted average value of the session index dropped by 8.4% yoy to 41.27 PLN/MWh in relation to Q4 2016
- OTC market index in that period was over twice as high as the session index and amounted averagely to 88.72 PLN/MWh

Prices of allowances for emissions of CO₂ were increasing in Q3 2017



EUA Dec-17 prices



EUA price on the forward market for EUA Dec-17 at the end of Q3 2017 grew by 15.1% to the level of 7.07 EUR/t in relation to the end of 2016

As a consequence of the acquisition of Połaniec Power Plant the Group has considerably increased its generation capacities



Enea CG's operating data	Q3 2016	Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change	
Generation of electricity [GWh]	3 359	5 841	73.9%	10 166	15 178	49.3%	✓
<i>Unit 11 in Koźienice Power Plant ¹⁾</i>	-	74	-	-	74	-	
<i>Enea Elektrownia Połaniec</i>	-	2 485	-	-	5 177 ²⁾	-	
from conventional sources	3 244	5 350	64.9%	9 773	13 834	41.6%	✓
<i>Unit 11 in Koźienice Power Plant ¹⁾</i>	-	74	-	-	74	-	
<i>Enea Elektrownia Połaniec</i>	-	2 074	-	-	4 123 ²⁾	-	
from renewable sources of energy	115	491	327.0%	393	1 344	242.0%	✓
<i>Enea Elektrownia Połaniec</i>	-	411	-	-	1 054 ²⁾	-	
Gross generation of heat [TJ]	460	1 066	131.7%	3 495	4 790	37.1%	✓
<i>Enea Elektrownia Połaniec</i>	-	574	-	-	1 276 ²⁾	-	

1) Unit in start-up phase

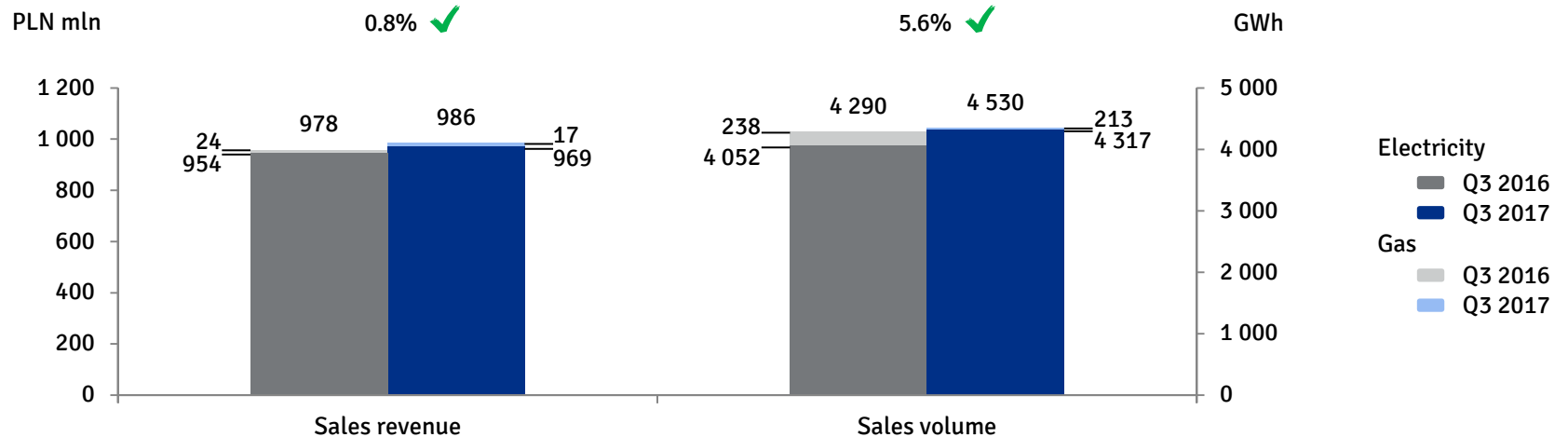
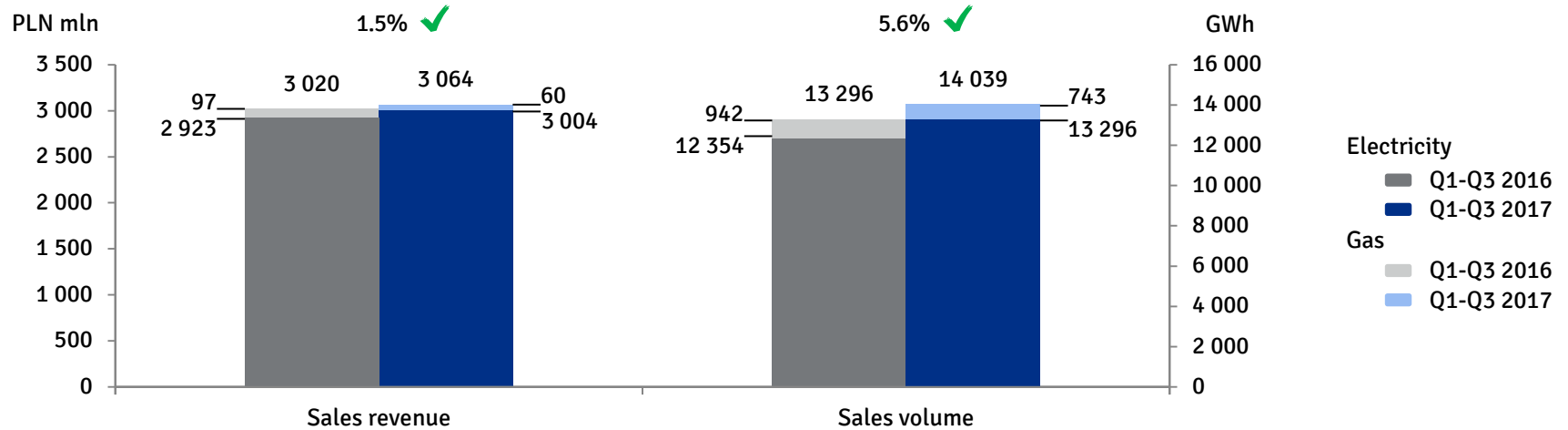
2) Data for the period from 14 March to 30 September 2017

August hurricanes considerably affected our qualitative indicators



Operating data – area of distribution	Q3 2016	Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change
Sales of distribution services to end users [GWh]	4 593	4 668	1.6%	13 924	14 322	2.9% ✓
SAIDI planned and unplanned interruptions (HV, MV) [min.]	85.16	234.03	174.8%	196.98	312.04	58.4%
SAIFI planned and unplanned interruptions (HV, MV) [min.]	1.28	1.37	7.0%	2.99	2.86	-4.3% ✓
Contracts performed in the reference period of 18 months - group IV [%]	86.90%	98.66%	11.76 p.p.	86.46%	97.80%	11.34 p.p. ✓
Contracts performed in the reference period of 18 months - group V [%]	96.75%	98.90%	2.15 p.p.	95.56%	98.10%	2.54 p.p. ✓

Enea increased the sales volumes of electricity to retail users



**In Q1-Q3 2017 LW Bogdanka CG extracted and sold
ca. 6.7 mln tonnes of coal - a level similar to the previous year**



LW Bogdanka CG's operating results ['000 tonnes]	Q3 2016	Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change
Gross output	3 831	3 451	-9.9%	10 751	10 208	-5.1%
Net production	2 397	2 154	-10.1%	6 682	6 712	0.4% ✓
Yield	62.6%	62.4%	-0.2 p.p.	62.2%	65.8%	3.6 p.p. ✓
Sale of coal	2 360	2 036	-13.7%	6 739	6 698	-0.6%
Closing stocks	172	140	-18.6%	172	140	-18.6%

Agenda



Coal, energy market, operating data

Enea CG's financial results in Q1-Q3 and Q3 2017

LW Bogdanka CG's financial results in Q1-Q3 and Q3 2017

Additional information

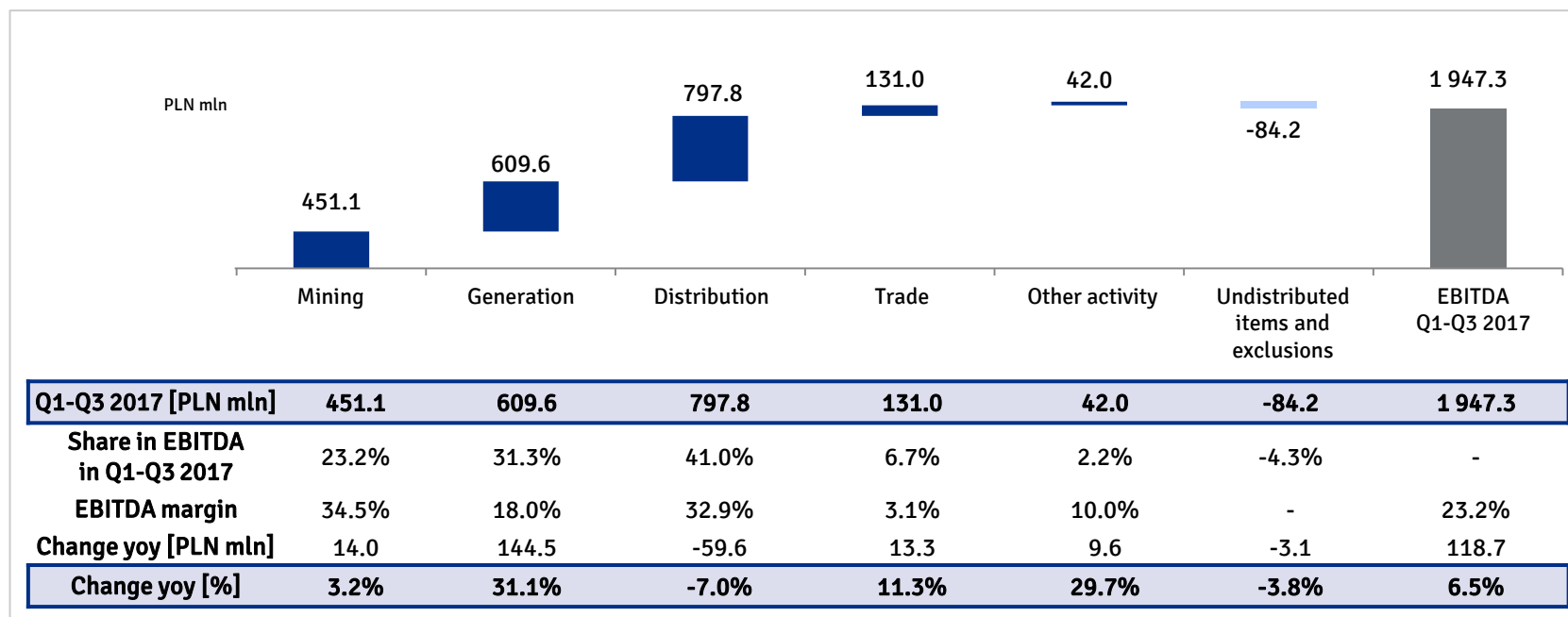
Financial security is our priority



Enea CG's financial results [PLN mln]	Q3 2016	Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change	
Net sales revenue	2 704.5	2 831.4	4.7%	8 303.9	8 398.2	1.1%	✓
EBIT	338.6	288.2	-14.9%	949.1	1 069.9	12.7%	✓
EBITDA	622.1	588.8	-5.3%	1 828.6	1 947.3	6.5%	✓
Net profit	249.4	214.1	-14.2%	720.7	837.9	16.3%	✓
Net debt / EBITDA ¹⁾	1.8	2.1	16.7%	1.8	2.1	16.7%	

1) LTM

Q1-Q3 financial results confirm the Group's good standing



Mining



- a drop in the quantitative sales of coal by 41 thou. t with a slightly lower price
- a drop in the unit cost of sold products, goods and materials excluding amortisation - better cost efficiency with a growing volume of coal sold

Generation



- Enea Elektrownia Połaniec PLN 137.2 mln ✓
- higher revenue from Regulatory System Services by PLN 14.4 mln ✓
- lower margin on trade and the Balancing Market by PLN 46.1 mln

Distribution



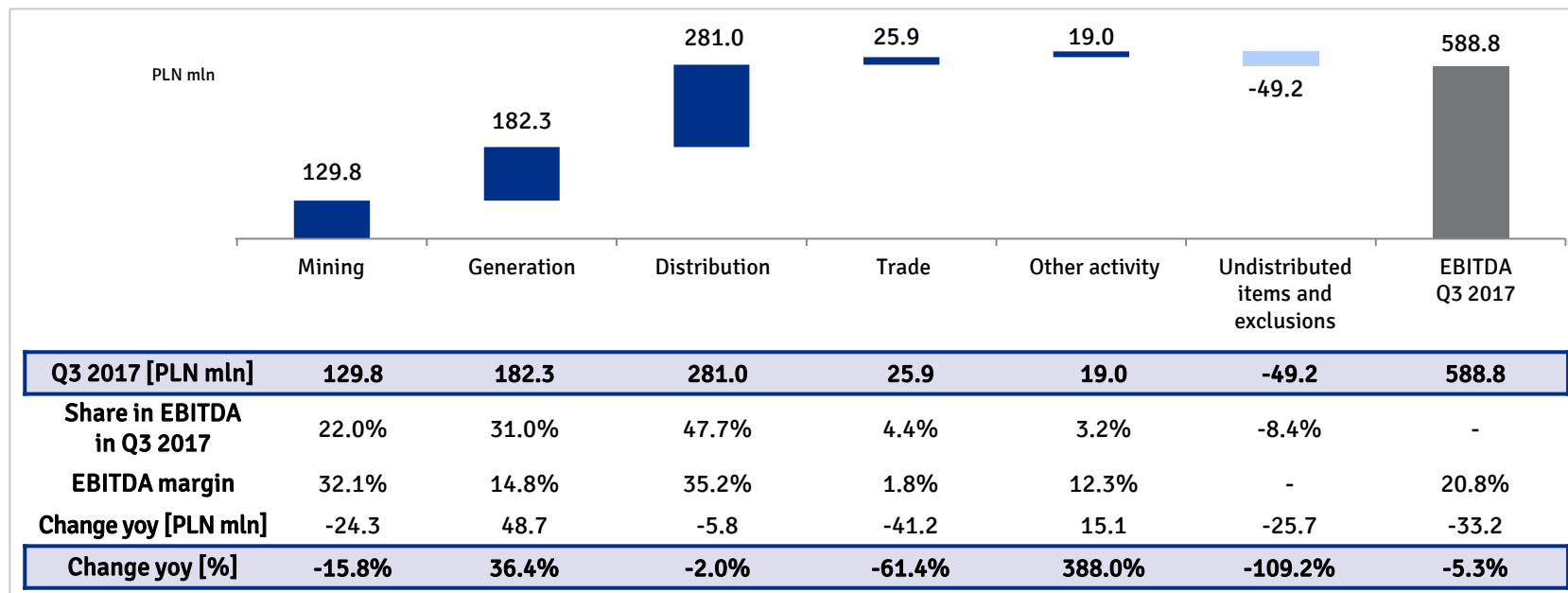
- higher revenue from the sale of distribution services to end users by PLN 169 mln ✓
- lower revenue from non-licensed operations (collisions)
- higher costs of purchasing transmission services by PLN 160 mln

Trade



- growth in energy sale volumes by 7.6% ✓
- lower average energy selling price by 4.5%
- lower average purchase price of energy by 8.7% ✓
- lower costs of ecological obligations by 45.4% ✓

The Group realises financial results on an expected level



Mining



- a drop in the quantitative sales of coal by 324 thou. t with a higher price
- growth in the unit cost of sold products, goods and materials excluding amortisation - constant cost control with a considerably lower volume

Generation



- Enea Elektrownia Połaniec PLN 61.8 mln ✓
- lower margin on trade by PLN 16.3 mln, generation by PLN 3.8 mln and the Balancing Market by PLN 2.2 mln

Distribution



- higher revenue from the sale of distribution services to end users by PLN 45 mln ✓
- higher costs of purchasing transmission services by PLN 46 mln

Trade



- growth in energy sale volumes by 6.5% ✓
- lower average energy selling price by 4.7%
- lower average purchase price of energy by 5.6% ✓
- lower costs of ecological obligations by 35.8% ✓
- higher provisions for latent claims

Agenda



Coal, energy market, operating data

Enea CG's financial results in Q1-Q3 and Q3 2017

LW Bogdanka CG's financial results in Q1-Q3 and Q3 2017

Additional information

Business optimisation and cost efficiency improvement are reflected in the generated financial results



LW Bogdanka CG's financial results [PLN mln]	Q3 2016	Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change
Net sales revenue	465.4	405.0	-13.0%	1 314.4	1 307.1	-0.6%
EBIT	58.1	44.4	-23.6%	154.6	191.9	24.1% ✓
EBITDA ¹⁾	154.9	133.9	-13.6%	432.3	452.5	4.7% ✓
Net profit	45.2	31.5	-30.3%	120.2	143.7	19.6% ✓
CAPEX	61.5	115.2	87.3%	212.6	254.8	19.8%
Net debt / EBITDA ²⁾	0.3	0.06	-80.0%	0.3	0.06	-80.0% ✓

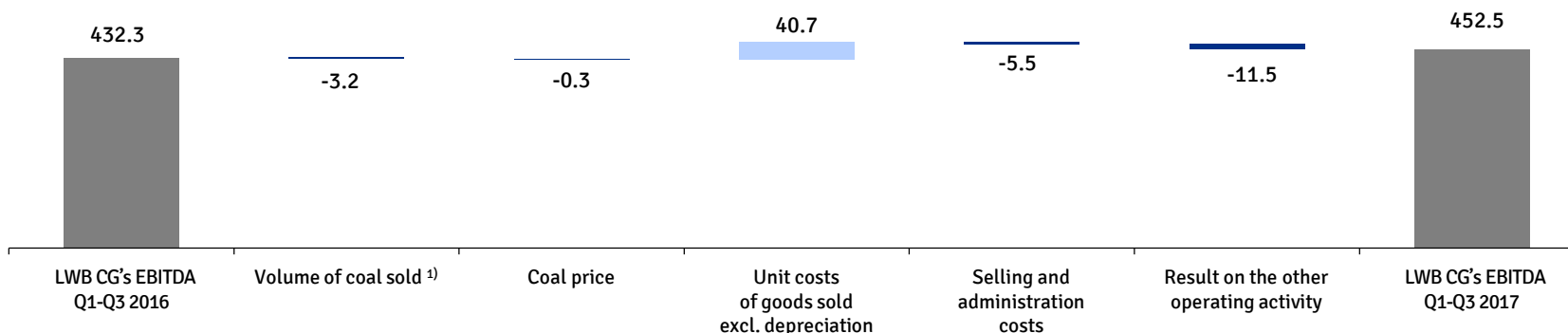
1) Explanation of EBITDA presentation difference of LW Bogdanka CG and area of mining in Enea CG in Q3 and Q1-Q3 2017 is given in attachments 1-2

2) LTM

Higher EBITDA in Q1-Q3 2017 due to lower unit cost of sold goods



PLN mln

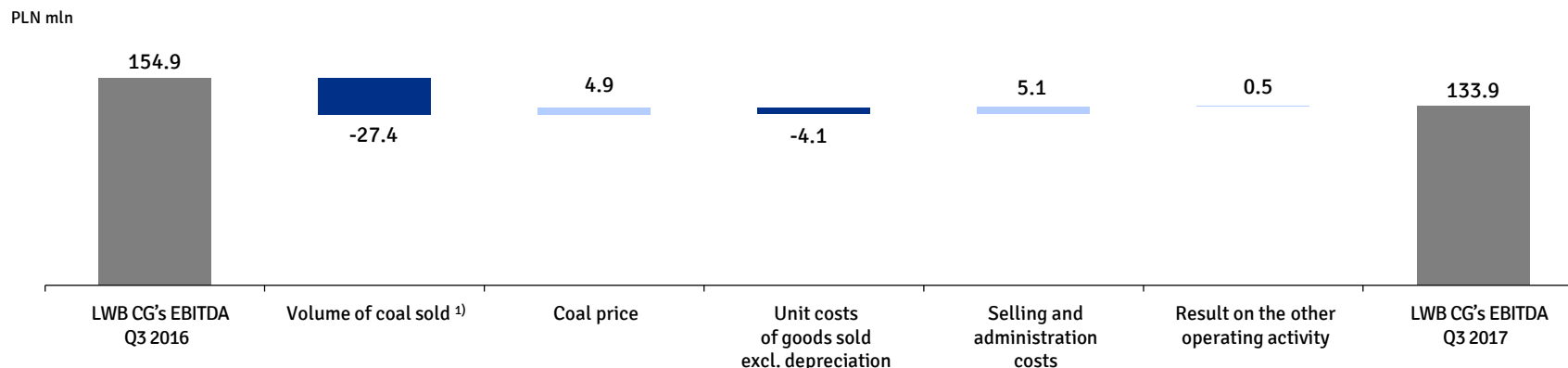


1) Aggregate impact on revenue and expenses

Q1-Q3 2017 [PLN mln]	528.7	1 321.4	789.5	95.8	19.6	452.5
Q1-Q3 2016 [PLN mln]	531.9	1 321.7	830.2	90.3	31.1	432.3
Change yoy [PLN mln]	-3.2	-0.3	-40.7	5.5	-11.5	20.2
Change yoy [%]	-0.6%	0.0%	-4.9%	6.1%	-37.0%	4.7%

- (+) EBITDA profitability 34.6% Q1-Q3 2017 against 32.9% for Q1-Q3 2016
- (-) drop of revenue from coal sales: lower volume sales (-41 thou. t) at slightly lower price
- (+) drop in the unit cost of sold products, goods and materials excluding amortisation - better cost efficiency with a decreasing volume of coal sold
- (-) higher administrative costs and selling costs: selling costs - recording costs of logistic service and custom clearance of coal sold to Ukraine; administrative costs - lower 2016 base - costs of management options were derecognised; 2017 - higher costs of amortisation and depreciation, payments to the State Fund of Rehabilitation of Handicapped People and property tax
- (-) lower result on the other operating activity - higher 2016 base - release of the provision for damages for Budimex due to a favourable ruling of the Court of Appeal

lower EBITDA of Q3 2017 due to smaller sales of coal



1) Aggregate impact on revenue and expenses

Q3 2017 [PLN mln]	172.1	469.8	270.3	30.4	-7.8	133.9
Q3 2016 [PLN mln]	199.5	464.9	266.2	35.5	-8.3	154.9
Change yoy [PLN mln]	-27.4	4.9	4.1	-5.1	0.5	-21.0
Change yoy [%]	-13.7%	1.1%	1.5%	-14.4%	-6.0%	-13.6%

- (-) EBITDA profitability 33.1% Q3 2017 against 33.3% for Q3 2016
- (-) drop of revenue from coal sales: lower volume sales (-324 thou. t) at higher price
- (-) growth in the unit cost of sold products, goods and materials excluding amortisation - better cost efficiency with a decreasing volume of coal sold (-324 thou. t)
- (+) decrease in selling costs and administrative costs - selling costs - lower advertising and sponsorship costs (different payout schedule), lower railway carriage repair services; administrative costs - positive balance of provisions

Agenda



Coal, energy market, operating data

Enea CG's financial results in Q1-Q3 and Q3 2017

LW Bogdanka CG's financial results in Q1-Q3 and Q3 2017

Additional information

We are syncing our key manufacturing assets with the grid



Unit No. 11 - works realised in Q3 2017

- Hot phase commissioning:
 - of coal pulverizers
 - of electrostatic precipitator
 - of electrostatic precipitator's ash removal system
 - IOS
- First coal feeding to the boiler
- Boiler start-up
- Boiler deslagger start-up
- Power grid protection and transformers check-up
- First synchronisation with the power grid



100%



Progress in the construction of the new block in terms of technology ¹⁾



On 15 November 2017 a 720-hour trial run of the 1,075 MW unit began

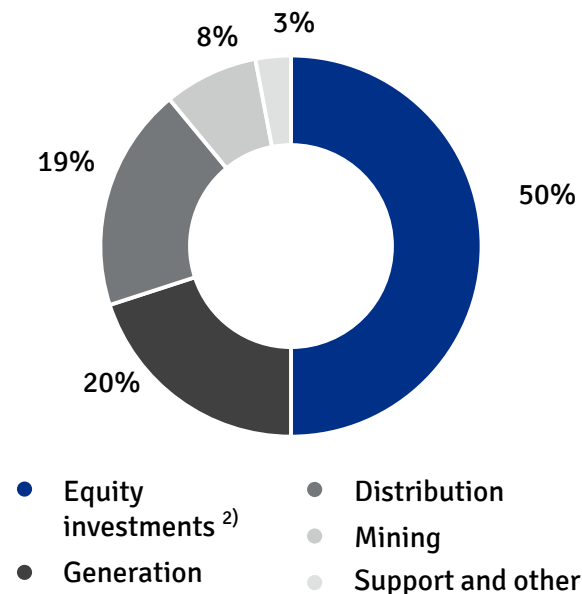
¹⁾ State as at November 2017

Implemented investments create our value for the future



Capital expenditures [PLN mln]	Q1-Q3 2016	Q1-Q3 2017	2017 Plan	Plan implementation level
Generation	938.4	624.6	1 226.70	50.9%
Distribution	645.5	593.0	970.5	61.1%
Mining	215.1	254.4 ¹⁾	385.6	66.0%
Support and other	55.1	94.1	172.5	54.6%
TOTAL Plan implementation	1 854.1	1 566.1	2 755.3 ³⁾	56.8%
Equity investments ²⁾	-	1 556.8	-	-
TOTAL expenditures of Enea CG	1 854.1	3 122.9	-	-

Capital expenditures in Q1-Q3 2017



PLN 124 mln
on investment relating to environmental protection in Q1-Q3 2017

1) The amount excludes PLN 0.4 mln expenditures incurred in Q1-Q3 2017 by subsidiaries of LW Bogdanka SA

2) Not included in Enea CG's material and financial plan

3) Amount of expenditures resulting from the correction of the material and financial plan in Enea CG

Due to full mobilisation and professionalism, we have successfully restored power supply to our Customers



	August storms	Xavier Hurricane	Gregory Hurricane
Customers without power supply	ca. 250 000	ca. 640 000	ca. 140 000
Damaged or destroyed HV, MV, LV poles	2 585	814	202
HV, MV, LV lines for reconstruction	393 km	21.7 km	31.6 km
Damaged and deenergised HV and MV lines	337	884	324
Transf./Switching stations without power supply	14	46	3
Transformer stations (MV to LV) without power supply	7 200	14 823	3 754

Enea Foundation will donate nearly PLN 1 mln to 11 communes affected by the August storms



Support areas:

Public infrastructure and public utility buildings



- renovations and restoration of schools, preschools, communal rooms, recreation centres, parks, playgrounds, damaged playfields - such as the reconstruction of the park in Borek Wielkopolski or renovation of the school and recreational and sport infrastructure in the commune of Czerniejewo

Support for local communities



- e.g. trips within the so-called "green school" (boarding school in the country used for school trips) for children from local schools or prevention and education campaigns for the local community on the procedures in crisis situations

Support for local Voluntary Fire Brigades



- providing the Voluntary Fire Brigade with additional specialist equipment necessary for the removal of catastrophic effects - e.g. co-financing the purchase of a fire truck for the VFB in Raciąż, purchase of firefighters, motor pumps, detectors, thermal cameras and demolishing lances for local VFBs



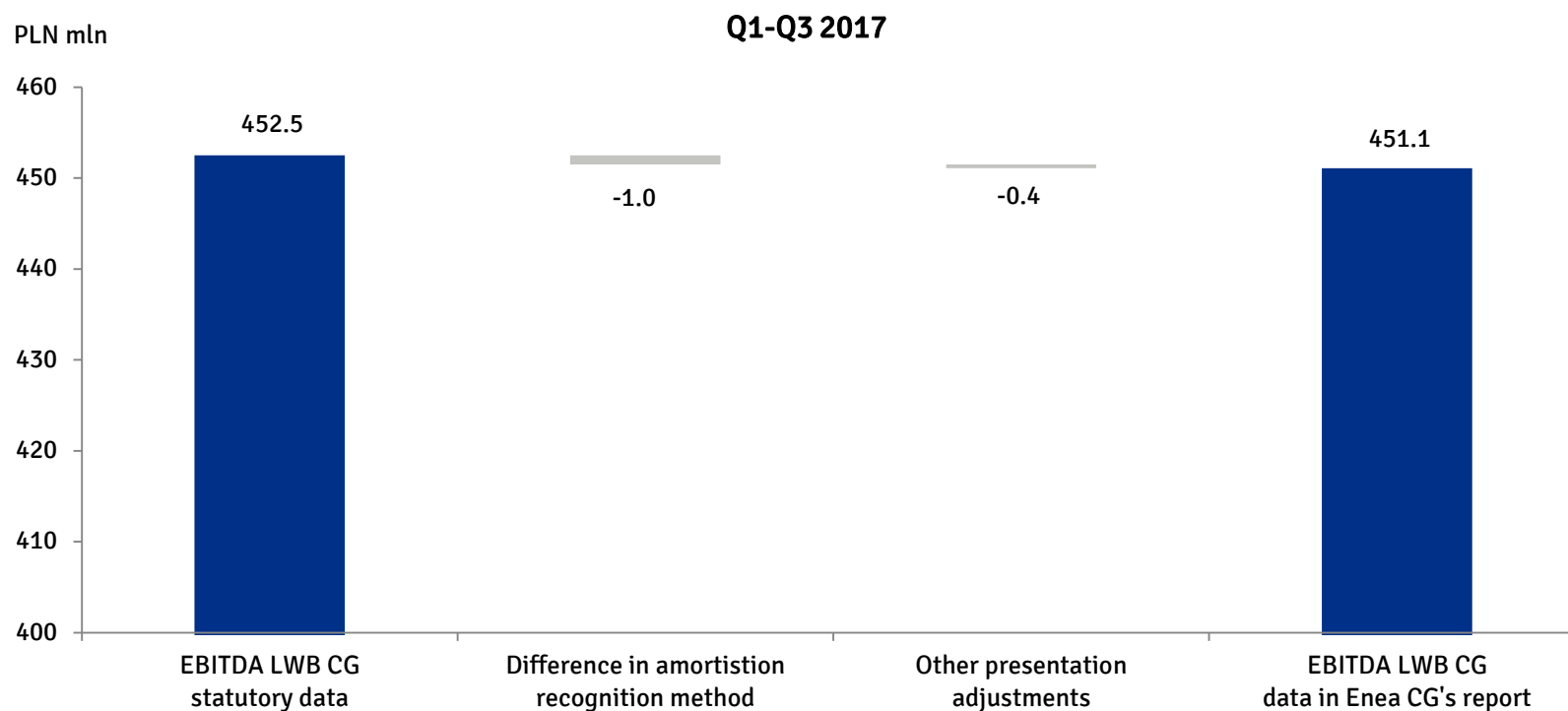
**The Group's stable position supports
implementation of development plans**

Q1-Q3, Q3 2017

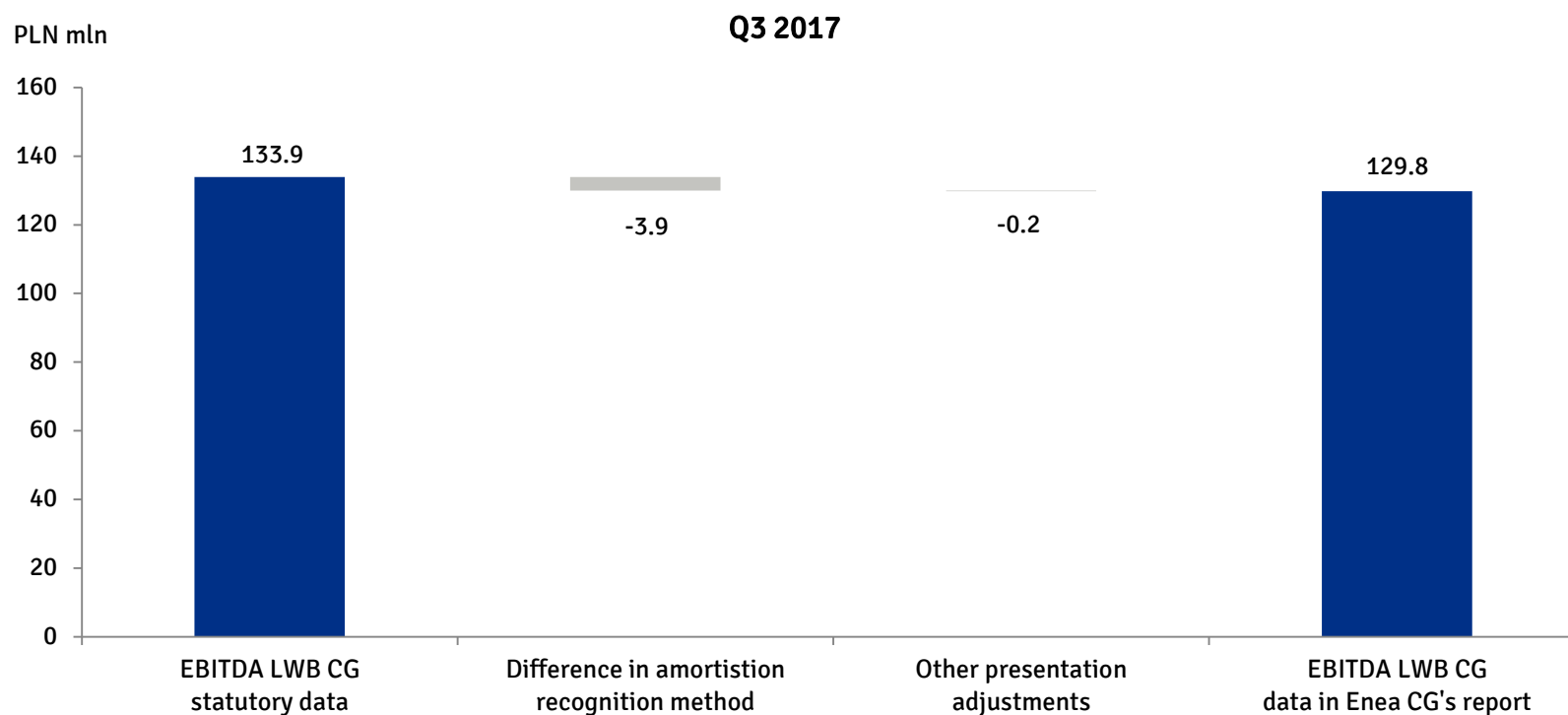


Attachments

Att. 1 - Explanation of EBITDA presentation difference of LW Bogdanka CG and area of mining in Enea CG in Q1-Q3 2017



Att. 2 - Explanation of EBITDA presentation difference of LW Bogdanka CG and area of mining in Enea CG in Q3 2017



Att. 3 - Results of individual segments of the area of generation



[PLN mln]	Generation, including:								
	System Power Plants			Heat			RES		
	Q1-Q3 2016	Q1-Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change	Q1-Q3 2016	Q1-Q3 2017	Change
Revenue from sales	2 118	2 827	709	298	318	20	44	238	194
EBIT	247	273	26	46	76	30	-53	38	91
EBITDA	373	435	62	84	115	31	8	60	52
CAPEX	880	559	-321	54	64	10	5	1	-4

[PLN mln]	Generation, including:								
	System Power Plants			Heat			RES		
	Q3 2016	Q3 2017	Change	Q3 2016	Q3 2017	Change	Q3 2016	Q3 2017	Change
Revenue from sales	699	1 059	360	58	71	13	12	104	92
EBIT	90	85	-5	-11	-5	6	-9	25	34
EBITDA	134	141	7	2	8	6	-2	33	35
CAPEX	354	263	-91	28	31	3	0	1	1