

**Consolidated report on payments made for
the account of the public administration in 2016**

Enea Group's operation

There are five leading entities within Enea Capital Group which manage the individual areas of operations, i.e.:

- Enea SA - trade in electricity and gas
- Enea Operator sp. z o.o. - distribution of electricity
- Enea Wytwarzanie sp. z o.o. - production and sale of electricity and heat
- Enea Trading sp. z o.o. - wholesale trade in electricity
- LW Bogdanka SA - coal mining

The other entities incorporated under the Group render supplementary services in relation to the aforementioned companies.

In Enea Group, the mining operations are performed by its subsidiary, Lubelski Węgiel Bogdanka SA. The mining activities are performed by Lubelski Węgiel Bogdanka SA based on its own mining licences issued by the Minister of the Environment.

Due to the fact that the mining operations are performed exclusively by LW Bogdanka SA within LW Bogdanka Capital Group, payments for the account of the public administration made by the entity correspond to total payments made for this purpose within LW Bogdanka Capital Group, and also payments made for this purpose within Enea Capital Group.

Basis of drawing up the report

This consolidated report on payments made for the account of the public administration was prepared pursuant to § 82a item 4 of the Regulation on current and periodic information [...] in relation to chapter 6a Article 63e-63j of the Accounting Act (Act).

Enea Capital Group companies do not pursue any business activity within the primary forest logging on the area of primary forests.

Due to the fact that Enea SA is not an entity which operates in the mining sector and is not an entity engaged in primary forest logging, the Issuer does not prepare any non-consolidated report on payments made for the account of the public administration.



Coal mining in Enea Group

In Enea Group, the mining operations are performed by its subsidiary, LW Bogdanka SA.

The entity's core subject of activity is mining and bituminous coal beneficiation.

LW Bogdanka SA is a parent for four subsidiaries performing supporting mining operations:

- Łęczyńska Energetyka sp. z o.o. - provides services for the mine within supply of heat energy, completion of the construction of the central air-conditioning and performs water and sewage management. Additionally, the Company supplies heat energy to external entities such as housing developments and other objects in Łęczna. The entity operates also within the construction works and repairs of heating, water supply and sewage installations
- EkoTRANS Bogdanka sp. z o.o. - provides services for the mine within the operations relating to the recovery of waste created by flushing and cleaning of coal output
- RG Bogdanka sp. z o.o. - provides services for the mine mainly within the works performed in the mine and reconstructions
- MR Bogdanka sp. z o.o. - provides services for the mine within renovations, repair and construction works, performance of works in underground machine divisions, regeneration and production of steel structures

Scope of mining operations

The individual areas of operations in the segment of Mining include:

- bituminous coal production
- bituminous coal sale
- securing the base of resources for Enea Group

Bogdanka mine is located in the Central Coal Region (CCR) in the north-eastern part of the Lublin Coal Basin which is identified to the largest extent. Geographically, the Central Coal Region is within Polesie Lubelskie boundaries, and just small parts are located on Wyżyna Lubelska. As regards the administration, Bogdanka mine is located in the Lubelskie province, on the area of Puchaczów municipality.

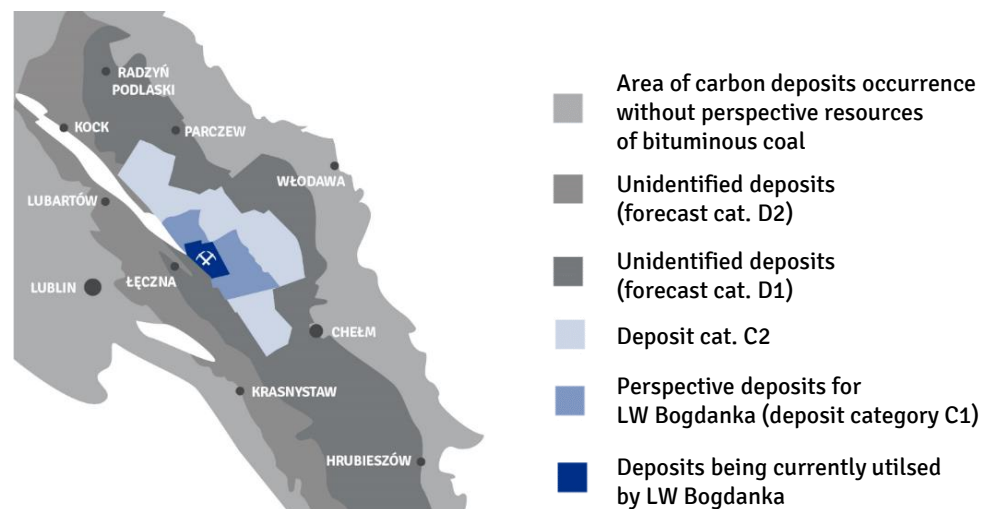
Mining area and production potential



LW Bogdanka holds three mining fields in which the mine shafts are located:

- Bogdanka
- Nadrybie
- Stefanów

The mining shafts are located in Bogdanka and Stefanów.



Principles adopted on the preparation of a Consolidated report on payments made for the account of the public administration

Pursuant to Article 63e item 6 of the Act the payment shall mean the amount paid, in cash or in kind, from the operations mentioned in Article 63e item 1 or 2, in respect of:

- production receivables
- taxes collected from income, production or profits of companies, excluding tax on consumption, such as tax on goods and services, personal income tax or sales tax
- royalties
- dividend
- licence fees and bonuses for discovery or production
- licence fees, lease charges, fees for commencement of operations and other provisions due to licence granting
- payments for infrastructural improvement



In this Consolidated report on payments made for the account of the public administration the following purposes were included:

The purpose of payment defined in Article 63e of the Act	In respect of tax and charges qualified for the given purpose of payment mentioned in the accounting act
Taxes collected from income, production or profits of companies, excluding tax on consumption, such as tax on goods and services, personal income tax or sales tax	Corporate tax - CIT
Licence fees and bonuses for discovery or production	Fees for mining use
Licence fees, lease charges, fees for commencement of operations and other provisions due to licence granting	<ul style="list-style-type: none"> • Service charge • Fees for perpetual usufruct of lands • Fee for using geological information

In 2016 Enea Group did not make any payments for any other purposes mentioned in Article 63e item 6 of the Act.

Payments made for the account of the public administration in 2016

All the payments resulting from the mining operations were made for the account of the public administration in Poland.

The said payments were made by LW Bogdanka, however, due to the fact that in Enea Group the mining operations are performed exclusively by LW Bogdanka the payments made for the account of the public administration by this entity correspond to the total payments for this purpose within Enea Group.

The amount of payments presented in this Consolidated report constitutes the value of cash transfers made in 2016 for the account of the public administration in Poland for particular purposes, decreased by any potential returns received.

All the payments mentioned above were made in cash, i.e. no payments in kind were made.

In 2016 the payments to the public administration were not attributed to any particular projects.

Payments made for the account of the relevant levels of public administration in 2016 by entity

Description	31 December 2016 [PLN '000]
Government administration:	38 430
Lublin Tax Office	25 874
Ministry of the Environment	5 762
National Fund for Environmental Protection and Water Management	6 746
Customs Chamber	48
Self-government administration:	10 325
Municipal Office	10 017
District Starost Office	308
TOTAL	48 755

Payments made for the account of the public administration in 2016 by purpose

Description	31 December 2016 [PLN '000]
Government administration:	38 430
Taxes collected from income, production or profits of companies (excluding tax on goods and services, personal income tax or sales tax)	25 922
Licence fee and bonus for discovery or production	283
Licence fee, lease charge, fee for commencement of operations and other provisions due to licence granting	12 225
Self-government administration:	10 325
Licence fee and bonus for discovery or production	102
Licence fee, lease charge, fee for commencement of operations and other provisions due to licence granting	10 223
TOTAL	48 755



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