

Compliance Declaration of ENERGA SA related to Company's series A domestic bond issue

In accordance with point 19 of the Bond Issue Terms and Conditions, the Management Board of ENERGA SA discloses the Compliance Declaration containing the calculation of financial leverage (Net Debt to EBITDA) ratio for 2016.

Financial leverage ratio as of 31 December 2016 calculated on the basis of ENERGA Capital Group Consolidated Financial Statements prepared in accordance with IFRS EU for the year ended on 31 December 2016 amounts to **2.32**.

This ratio has been calculated based on the basis of the following items of the financial statements and additional information required for its estimation:

1. Net debt as at 31 December 2016– PLN **4,707 m**, thereof:
 - a. Loans and borrowings - PLN 3,420 m;
 - b. Bonds issued – PLN 2,717 m;
 - c. Finance lease liabilities – PLN 12 m;
 - d. Cash and cash equivalents without restricted cash– PLN (1,442) m.
2. EBITDA for 12 months ended on 31 December 2016 – PLN **2,027 m**, thereof:
 - a. EBIT – PLN 487 m;
 - b. Amortization and depreciation – PLN 957 m;
 - c. Impairment losses on non-financial non-current assets – PLN 583 m.