

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, April 29<sup>th</sup> 2021

### Estimates of Q1 2021 consolidated financial highlights

Current Report No. 16/2020

Further to Current Reports No. 15/2021 of April 20<sup>th</sup> 2021 and 16/2021 of April 29<sup>th</sup>, The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG" or the "Company") announces preliminary PGNiG's consolidated financial results for Q1 2021:

<b>in PLNbn</b>	<b>Q1 2020</b>	<b>Q1 2021</b>
Consolidated revenue	13.76	<b>14.55</b>
Consolidated operating profit before depreciation and amortisation ("EBITDA"). herein:	2.08	<b>3.39</b>
<i>impairment losses on property, plant and equipment of PGNiG Group</i>	-0.76	<b>+0.28</b>
Exploration and Production's EBITDA. herein:	0.07	<b>1.35</b>
<i>cost of dry wells and seismic surveys</i>	-0.02	<b>-0.26</b>
<i>impairment losses on property, plant and equipment</i>	-0.76	<b>+0.27</b>
Trade and Storage's EBITDA. herein:	0.91	<b>0.49</b>
<i>gas inventory write-downs</i>	+0.25	<b>+0.01</b>
Distribution's EBITDA	0.77	<b>1.01</b>
Generation's EBITDA	0.42	<b>0.46</b>
Consolidated EBIT	1.21	<b>2.44</b>
Consolidated net result	0.78	<b>1.75</b>

The estimated PGNiG Group's consolidated financial results for Q1 2020 were driven mainly by:

- In the Exploration and Production segment:
  - +20% yoy increase of the average crude oil price in USD/bbl for the quarter and +82% yoy increase of Day Ahead Market gas prices on Polish Power Exchange;
  - cost of dry wells and seismic surveys written off PLN -0.26bn and recognition of impairment losses on non-current assets of PLN +0.27bn;
  - increase in production volumes of crude oil and condensate in Norway by 30 thousand tons (+24% yoy).
- In the Trade and Storage segment:
  - higher prices of natural gas on energy markets in Q1 2021;
  - 4.5% average decline of gas fuel price in the new retail tariff, introduced to act on January 1st 2021;
  - recognition of gas inventory write-downs of PLN +9m in Q1 2021 vs write-downs of PLN +255m in Q1 2020;

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- the result on exercise of derivative financial instruments designated for hedge accounting: 1) reflected in sales revenue in the amount of PLN -175m (PLN +819m in Q1 2021), 2) reflected in gas inventory as a decrease of cost of gas in amount of PLN +172m (PLN -215m in Q1 2021).
3. In the Distribution segment:
- +3.6% increase in the gas distribution tariff, introduced to act on February 1st 2021;
  - average temperature in Q1 2021 down by -2.8°C yoy;
  - net income/cost of system balancing: PLN -12m in Q1 2021 vs PLN -16m in Q1 2020
4. In the Generation segment:
- +23% yoy higher revenue from sales of heat, lower average temperature in Q1 2021 and +6% yoy higher heat production volumes;
  - -14% yoy lower revenue from sales of electricity on lower electricity sales volumes;
  - stable costs of coal with transport yoy.

The presented values are estimates and as such are subject to change. The results will undergo audit by an independent auditor. The report for Q1 2021 will be published on May 20<sup>th</sup> 2021.

### Legal basis:

Article 17 section 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.