

Polish Oil and Gas Company

Company Overview



November 2019

Agenda

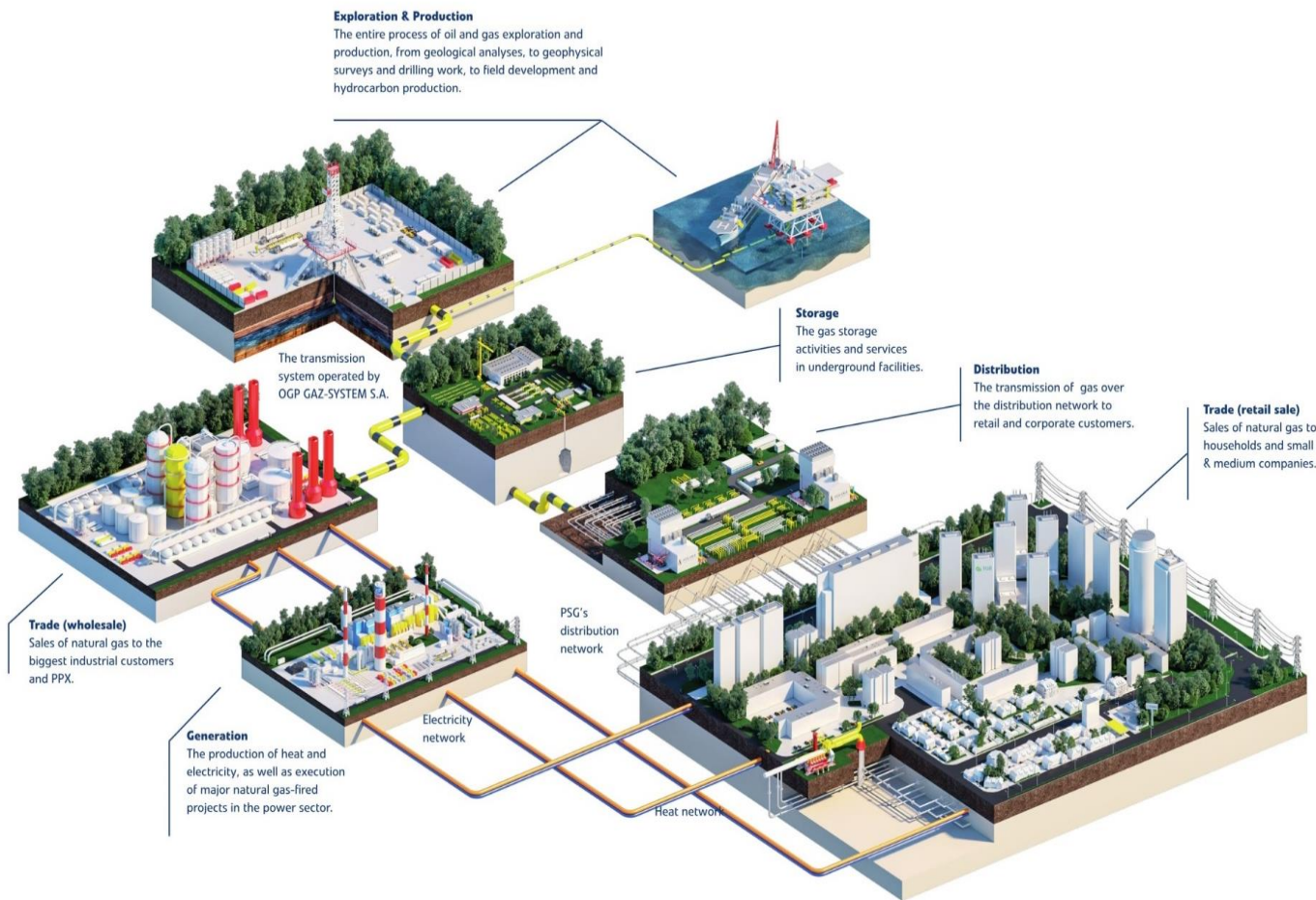
- > 1. PGNiG Group & Polish Gas Market
- > 2. PGNiG Segments
 - >  Exploration and Production
 - >  Trade and Storage
 - >  Distribution
 - >  Generation
- > 3. Strategy, CAPEX
- > 4. Appendix





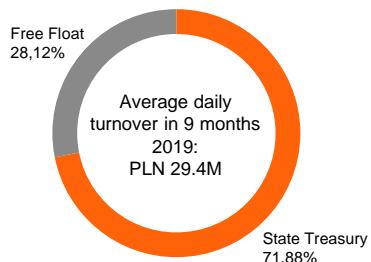
PGNiG Group and Polish Gas Market

Poland's no.1 integrated group in the oil and gas sector

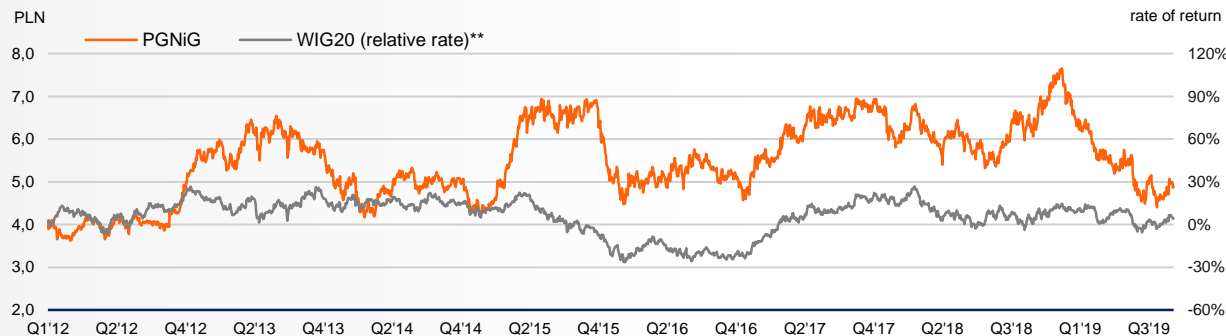


5th biggest Polish company on the Warsaw Stock Exchange*

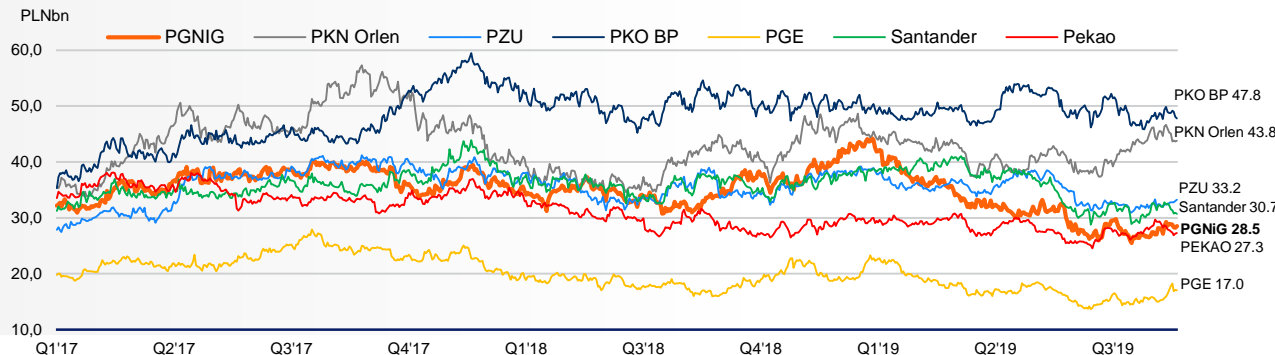
- > Listed on WSE since September 2005
- > Market cap, of PLN 28.5bn (EUR 6.7bn, USD 7.3bn)*
- > Significant share in WIG 20 based on number of shares in the index: 3.8%
- > Shareholders (September 30th, 2019)



> The share price of PGNiG and WIG20 from January 2012 together with the rate of return



> Market cap. of PGNiG from January 2017 together with the largest companies on the WSE

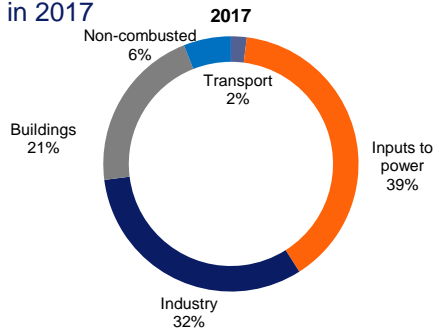


* In terms of market cap as at November 15th 2019 (without dividend): PGNiG = 4.938, EUR/PLN = 4.2807, USD/PLN = 3.8848

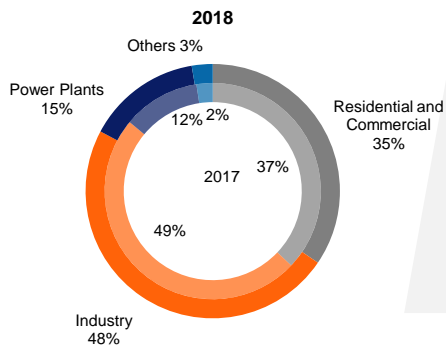
** WIG20 quotation chart, taking into account relative changes in percentage in relation to the PGNiG exchange rate (as at November 15th 2019)

Gas market in Poland: Low consumption with growth potential

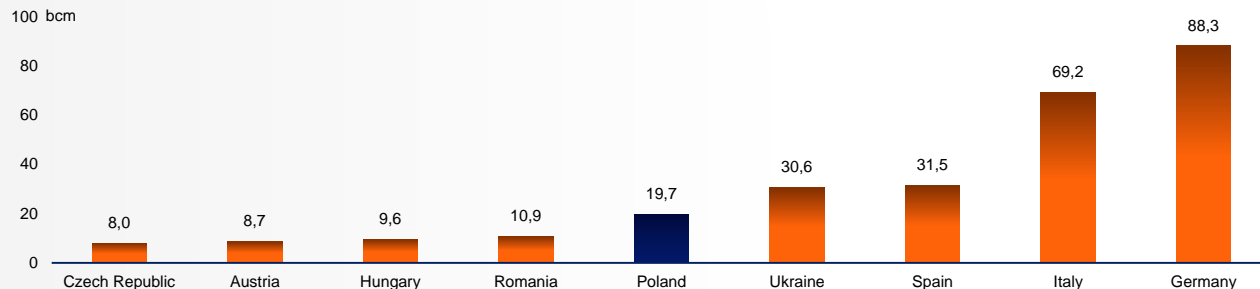
> Natural gas sales by sector in the world in 2017



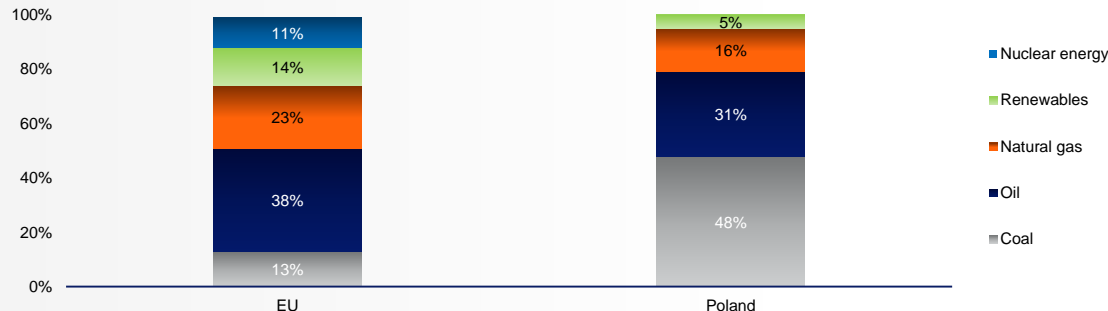
> Natural gas sales by sector by PGNiG in Poland in 2018 and 2017



> Natural gas consumption by country in 2018

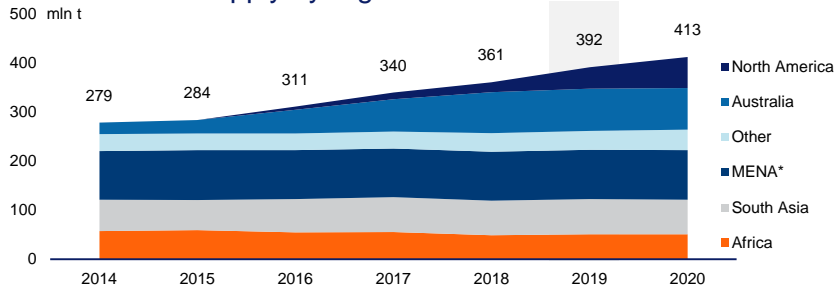


> Primary energy consumption by fuel in 2018

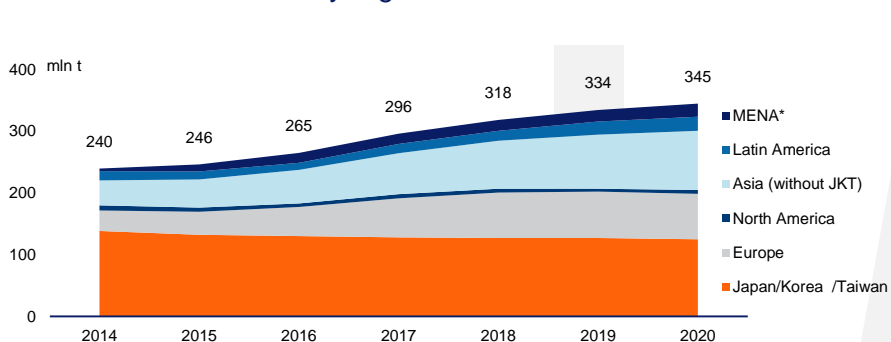


Gas market worldwide

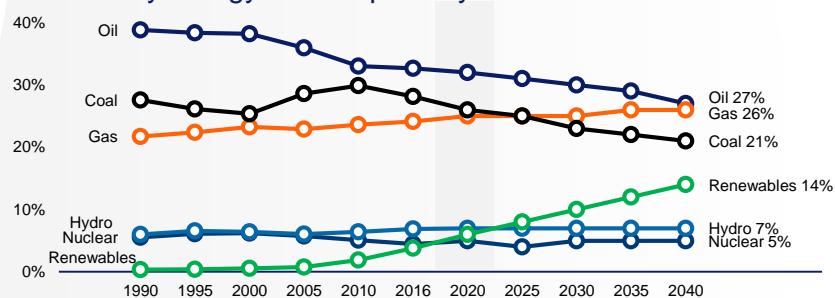
> Annual LNG supply by region



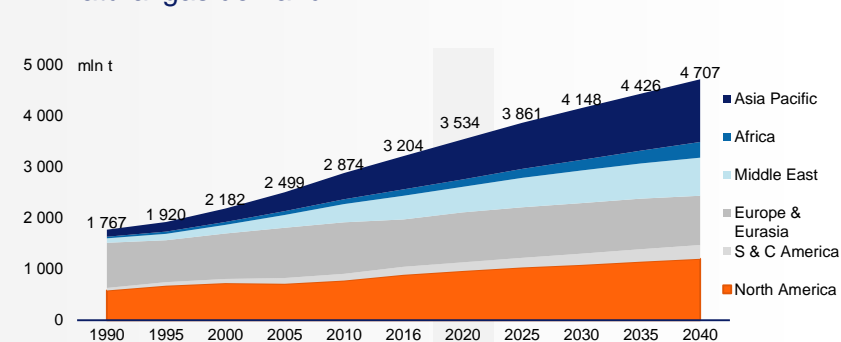
> Annual LNG demand by region



> Primary energy consumption by fuel



> Natural gas demand



* Middle East-North Africa / Source: IHS, BP Energy Outlook 2018

Exploration &
Production



Trade & Storage



Distribution



Generation

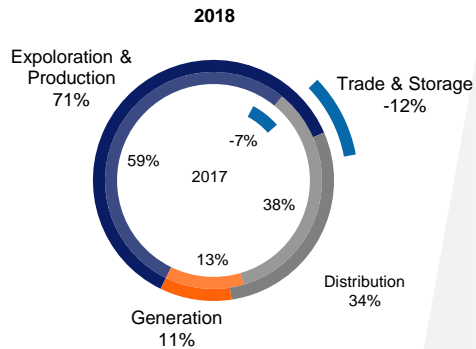


Operating segments of PGNiG Group

PGNiG Group's financials 2010-2018

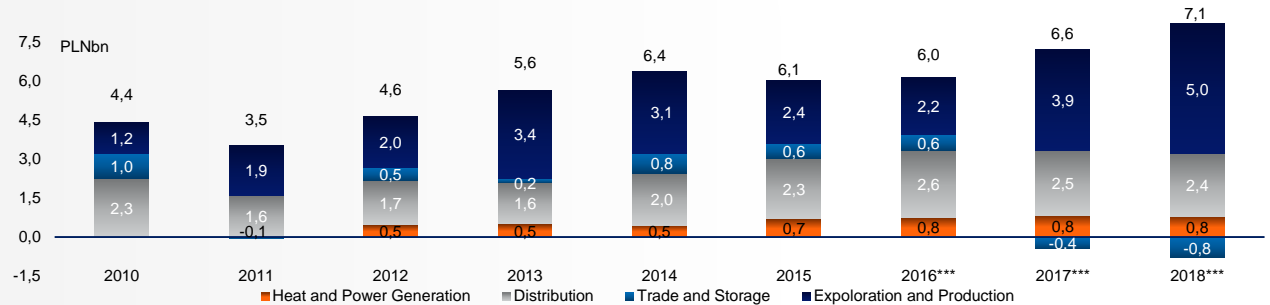
- > 6th biggest company in Central and Eastern Europe*
- > 3rd biggest oil company in the region*
- > Stable EBITDA level due to diversified inflows sources

> EBITDA breakdown

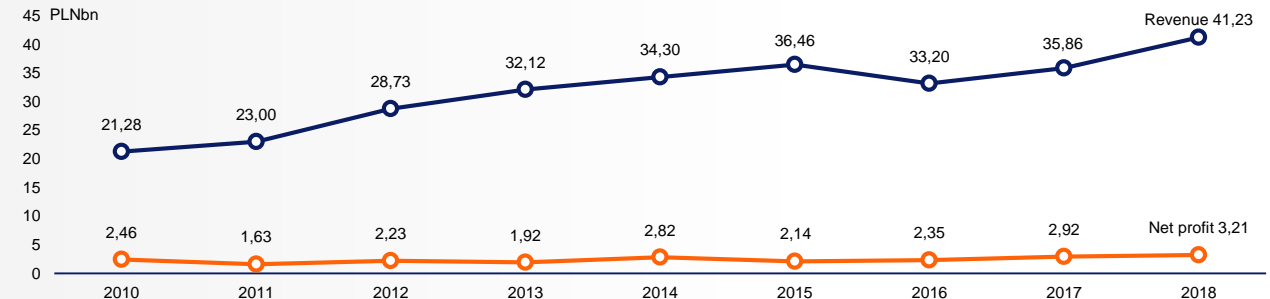


Other segments' contribution to EBITDA in 2018: -4%; in 2017: -3%

> PGNiG Group's EBITDA**



> PGNiG Group's revenue and net profit



* Source: TOP 500 CEE 2019 / ** EBITDA 2010-2015 before intra-group eliminations and excluding „Other segments“
 *** restated, other segments not presented on chart

Leader in production of gas and crude oil in Poland

> PGNiG's resource base in Poland**:

- > proved gas reserves: 548 mm boe (87.7 bcm)
- > proved oil reserves: 119 mm boe (15.2 m tonnes)

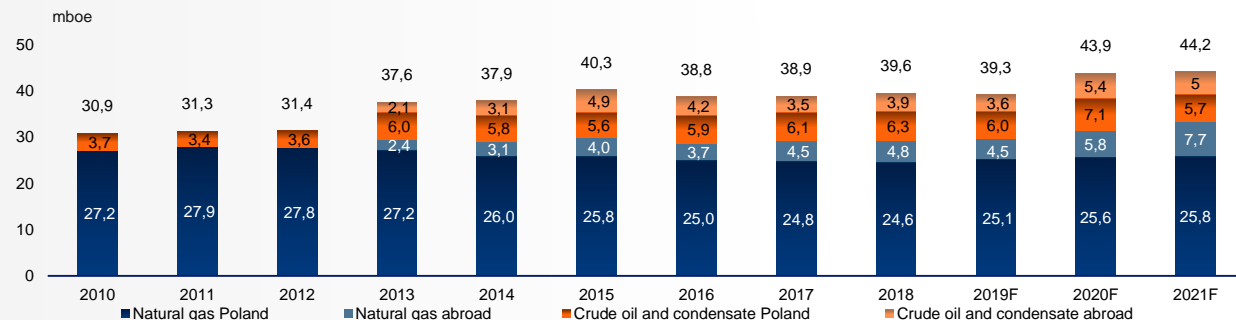
> Oil & Gas concessions in Poland***:

- > 17 exploration/appraisal
- > 29 combined licences
- > 2 suspended licences

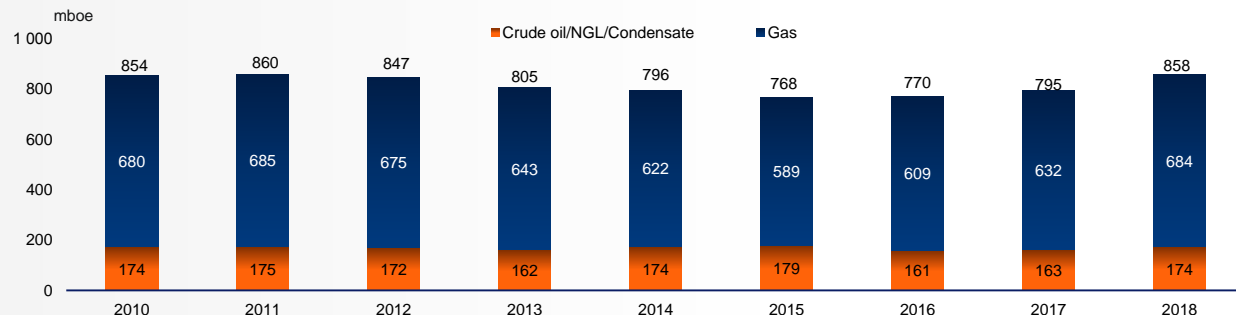
> Exploration & Production activities:

- > 54 production facilities in Poland
- > over 2 thousand producing wells

> Production volumes*



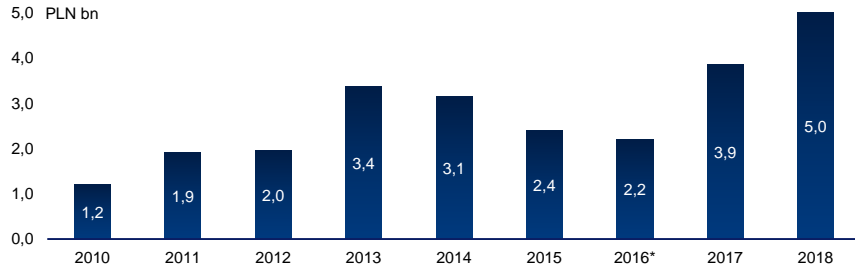
> Reserves of natural gas and crude oil



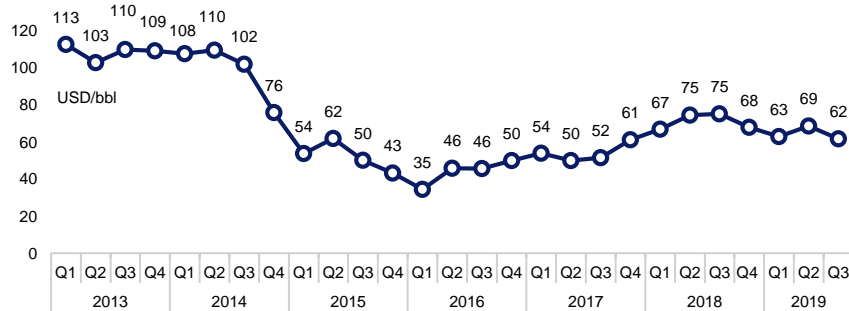
*High-methane gas equivalent / **As at December 31st 2018 / *** As at June 30th 2019

Exploration & Production financial results

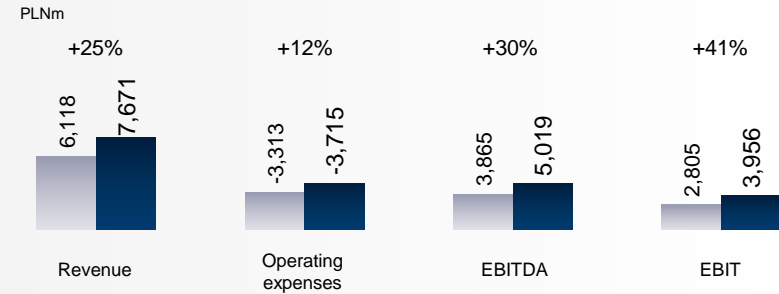
> Exploration and Production's EBITDA



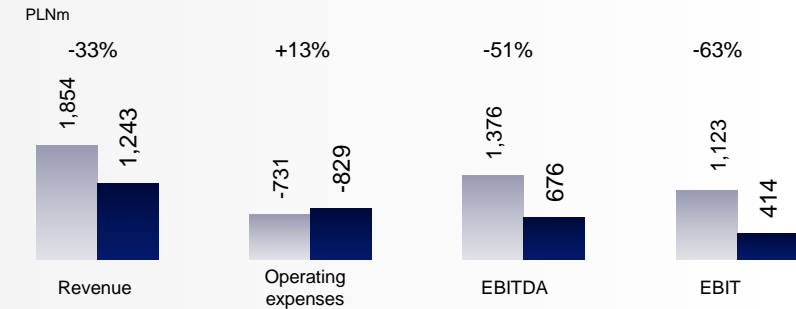
> Average prices of Brent crude oil



> Segment's results for FY 2017 vs FY 2018

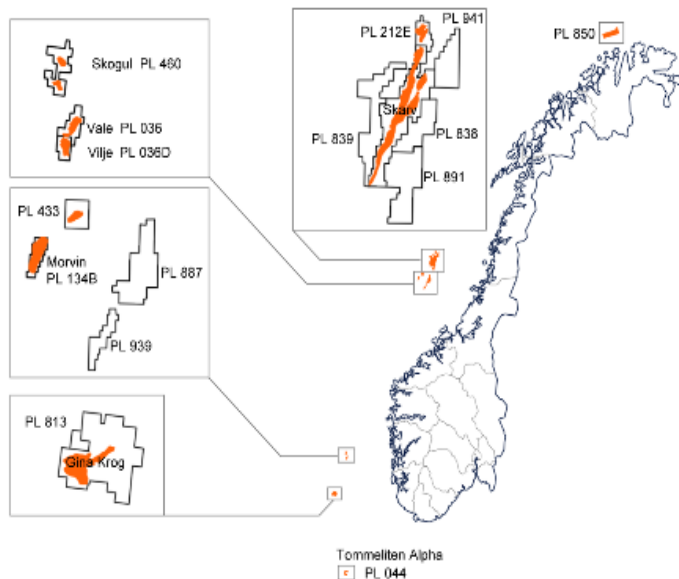


> Segment's results for Q3 2018 vs Q3 2019



* restated

International E&P activities – Norway



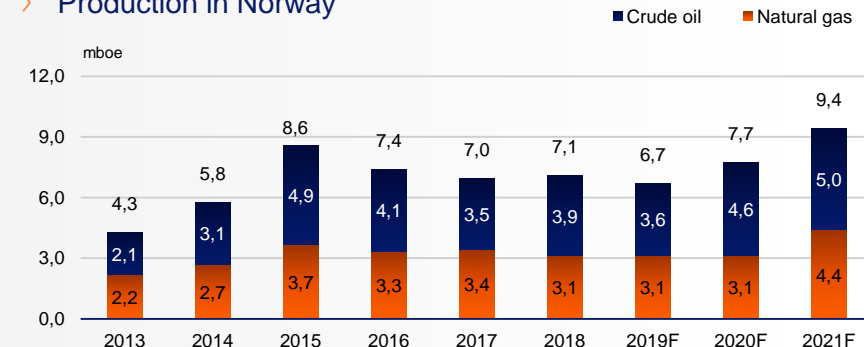
PGNiG UN holds interests in exploration and production licences on the Norwegian Continental Shelf in the Norwegian Sea, in the North Sea, and in the Barents Sea. Jointly with partners, the company has been extracting hydrocarbons from the Skarv, Morvin, Vilje, Vale and Gina Krog fields and working on the development of the Ærfugl (formerly Snadd), Skogul (formerly Storklakken), and Duva (acquired in July and November 2019) fields.

PGNiG UN is preparing to develop the Tommeliten Alpha (acquired in 2018) and King Lear (acquired in the first half of 2019) fields, and is also considering development of the Fogelberg field. In the other licence areas, the company is engaged in exploration projects.

> Reserves in Norway (as at December 31st, 2018)

| | Natural Gas | Crude Oil & NGL | TOTAL (mm boe) |
|------------------|-------------|-----------------|----------------|
| Skarv | 12.4 | 8.5 | 20.9 |
| Gina Krog | 6.6 | 8.2 | 14.8 |
| Vilje | | 3.7 | 3.7 |
| Vale | 0.7 | 0.6 | 1.3 |
| Morvin | 0.4 | 0.8 | 1.2 |
| Tommeliten Alpha | 36.1 | 18 | 54.1 |
| Ærfugl | 21.4 | 9.1 | 30.5 |
| Skogul | 0.3 | 2.9 | 3.2 |
| Fogelberg | 8.8 | 3.4 | 12.2 |
| Suma | 86.7 | 55.2 | 141.9 |

> Production in Norway



International E&P activities – Pakistan and other

> Assets: Pakistan

| | |
|--------------------------------|-------------------------------------|
| agreement | May 18th 2005 |
| shares | PGNiG 70%, Pakistan Petroleum 30% |
| area | 956 sq km |
| location | Sindh province, folded belt Kirthar |
| obligations | 2 wells, 100 km 2D (fulfilled) |
| | 9.4 bcm of natural gas |
| estimated reserves (for PGNiG) | (7.0 bcm Rehman, 2.4 bcm Rizq) |



Licence Kirthar

In the first half of 2019, production from the Rehman and Rizq fields was supported by seven wells, and as at June 30th 2019 the reserves attributable to PGNiG were approximately 8.69 bcm. By June 30th 2019, drilling and testing of positive well Rehman-5 had been completed, the Rehman-6 well had been spudded and the equipment had been mobilised to drill the Rizq-3 well.

Continuing exploration work in 2019, the Pakistani Branch completed the acquisition of seismic imaging initiated in 2018: 3D seismic imaging in the W1 prospect and 2D seismic imaging for the W2 prospect.

> Other foreign activity in 2018

Seismic works:

- > Acquisitions of seismic data: Bulgaria, Croatia, Egypt, Colombia, Tunisia, Ukraine, Myanmar,
- > Processing and interpretation of seismic data: France, India, Pakistan, Colombia.

Drilling works:

- > Main drilling areas: Pakistan, Kazakhstan, Ukraine.

Libya

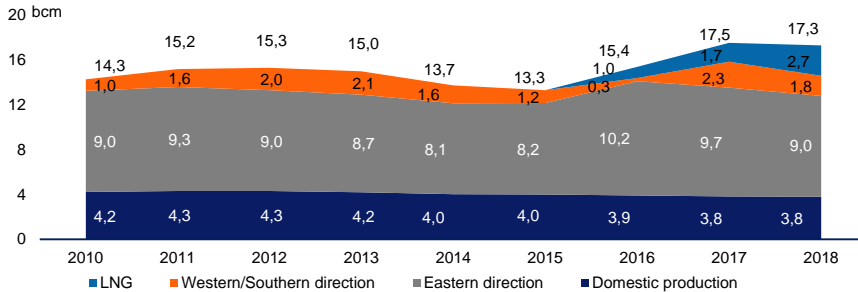
- > Since 2008, one license for mining (LC113),
- > In mid-2014, a force majeure notification,
- > In 2017 and 2018, activities limiting the impact of force majeure and verification of the prospects of the license.

UAE

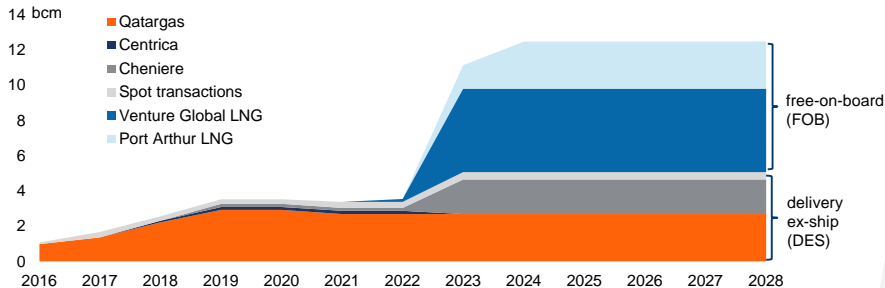
- > In December 2018, acquisition of rights to explore for, to appraise and to produce hydrocarbons in Ras Al Khaimah Emirate,
- > In January 2019 contracts between PGNiG and its partners (RAKPA and RAK Gas) were signed. As a result, PGNiG acquired a 90% interest in Block 5.

Gas supply & sales

> Sources of gas supply of PGNiG SA in Poland



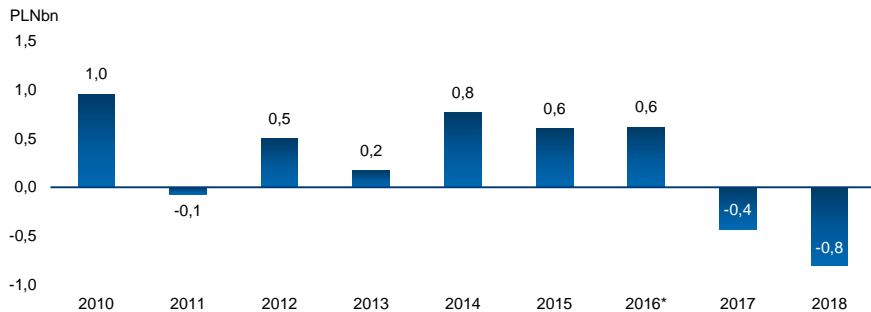
> LNG Portfolio of PGNiG Group



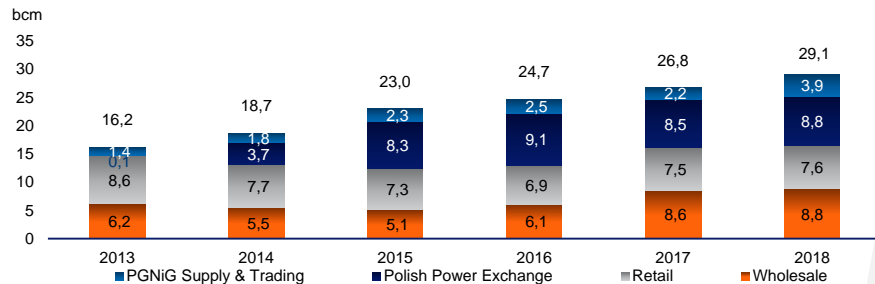
- > Contract for natural gas deliveries with Gazprom („Yamal contract”) until 2022:
 - > 10.2 bcm annually, 85% Take-or-Pay
- > Contract for LNG with Qatargas until 2034:
 - > 1.3 bcm annually, 100% Take-or-Pay. Deliveries since June 2016
 - > side agreement (the total volume will increase to 2.7 bcm per annum, in 2018-2020 volume will be increased to 2.9 bcm)
- > Contract for LNG with Cheniere until 2042:
 - > 0.73 bcm in the period of 2019-2022
 - > 1.95 bcm annually in the period of 2023-2042
- > Contracts for LNG with Venture Global and Port Arthur:
 - > 7.4 bcm annually. Deliveries at the earliest since 2022 until 2043
- > 3.9 bcm of gas sold by PGNiG Supply & Trading to customers outside of Poland in 2018
- > Tariffs:
 - > Gas sales: Cost of gas + operating costs + margin
 - > Retail: PGNiG Retail's cost base including cost of gas on the commodity exchange
 - > Storage: Cost + return on capital (6.1% WACC x PLN 3.5bn RAB) (since April 2019)

Trade & Storage's financial results

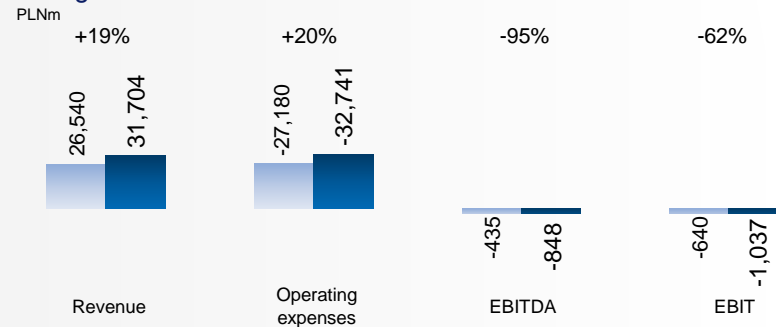
> Trade and Storage's EBITDA



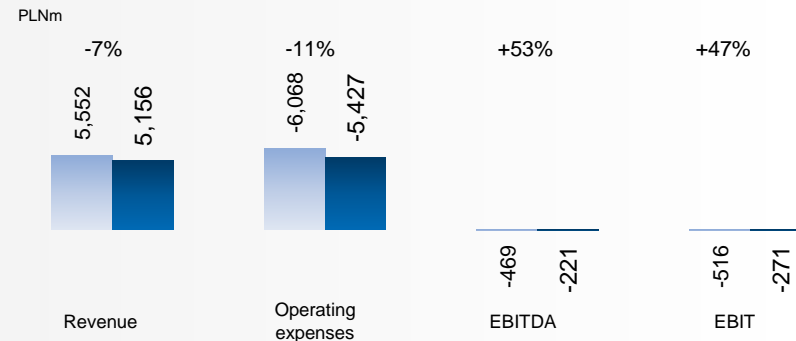
> Sales of natural gas of PGNiG SA, PGNiG Retail and PST



> Segment's results for FY 2017 vs FY 2018



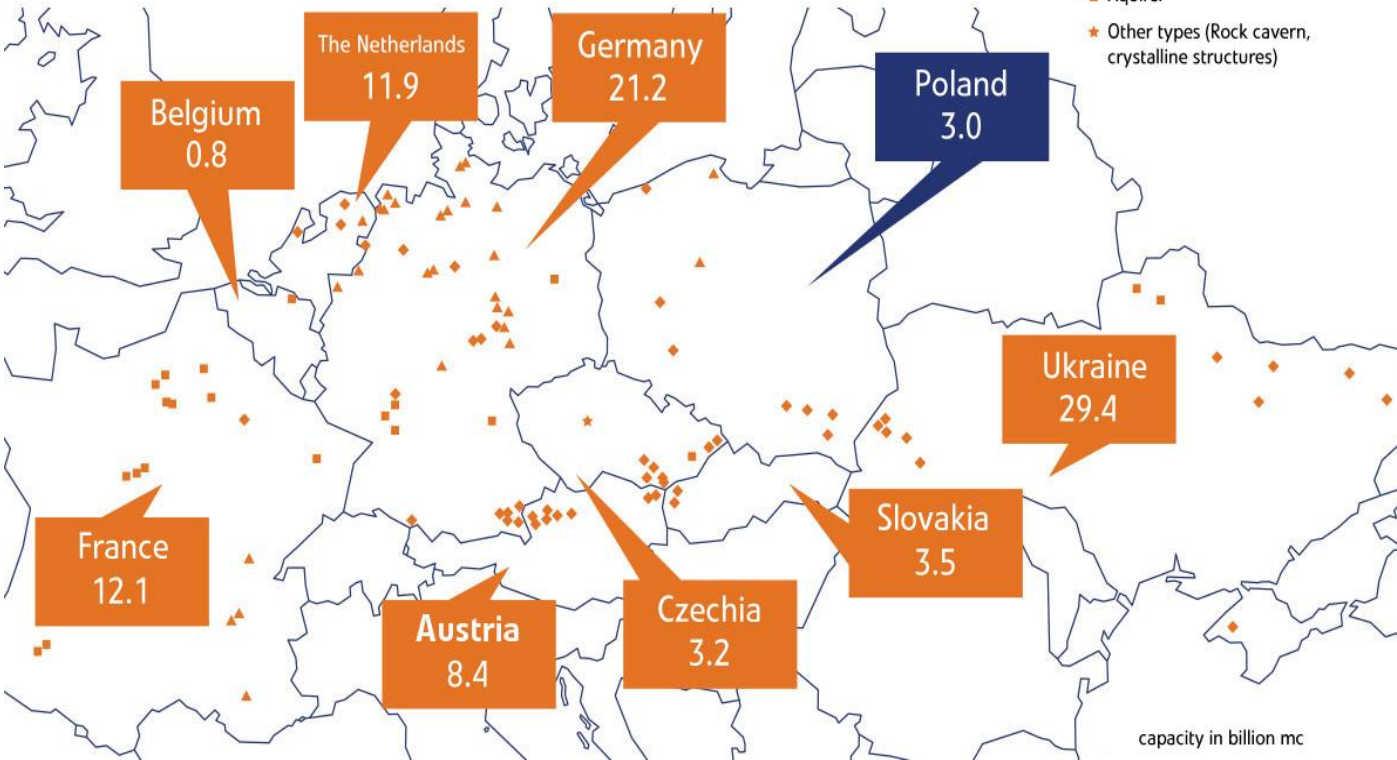
> Segment's results for Q3 2018 vs Q3 2019



Gas Storage

- ◆ Depleted field / Gas field on shore / offshore
- ▲ Salt cavity - cavern
- Aquifer
- ★ Other types (Rock cavern, crystalline structures)

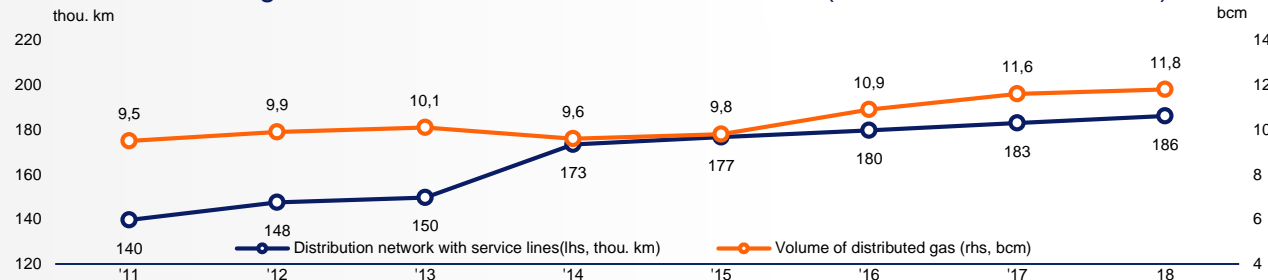
- > The PGNiG Group holds a dominant position in the gas storage market. In Poland, there are seven underground gas storage facilities: five depleted gas reservoirs (characterised by long injection and withdrawal times) and two salt caverns.
- > All of them (located in Brzeźnica, Husów, Mogilno, Strachocina, Swarzędz, Wierzchowice and Kosakowo) are managed by Gas Storage Poland, a subsidiary of PGNiG S.A.
- > PGNiG's Exploration and Production segment's gas storage system includes two storage facilities for L group gas (Daszewo UGSF and Bonikowo UGSF), whose main role is to regulate the operation of the nitrogen-rich gas system and store gas from nitrogen-rich gas production facilities.



Distribution

- > The owner of approximately 97% of Poland's distribution network and nearly 99% of the gas service lines.*
- > Transports natural gas from gas sellers to households, industrial and wholesale customers.
- > Responsible for operation, maintenance and development of gas pipelines.
- > Segment comprises of Polska Spółka Gazownictwa (PSG).

> Stable network's growth and increase of distributed volumes (+3.5% CAGR 2004-2018)



> Coverage of distribution network



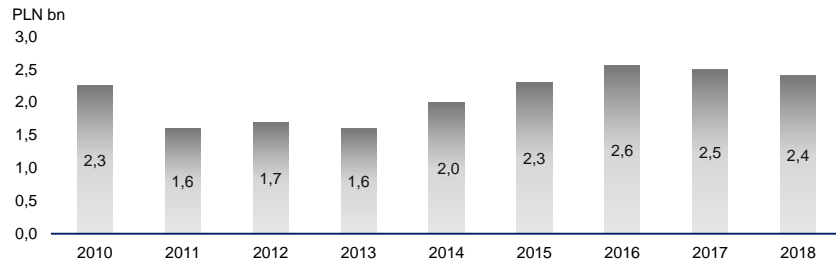
> Tariff:

- > Tariff No. 7 approved by the President of the Energy Regulatory Office in January 2019 and has applied from February 15th 2019.
- > Cost + return on capital (6.2% WACC x PLN 12.2bn RAB)

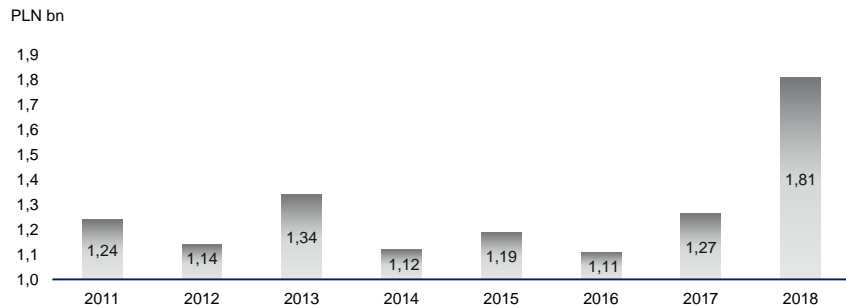
* As at December 31st 2017

Distribution's financial results

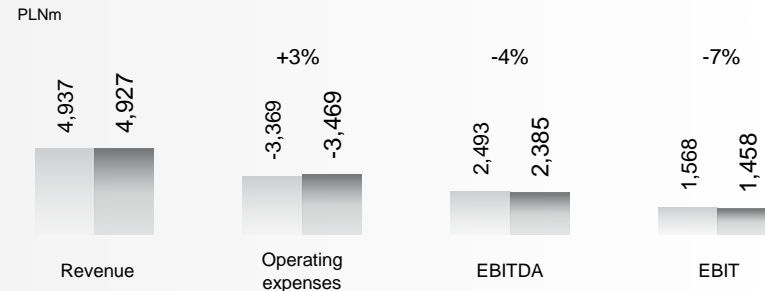
> Distribution's EBITDA



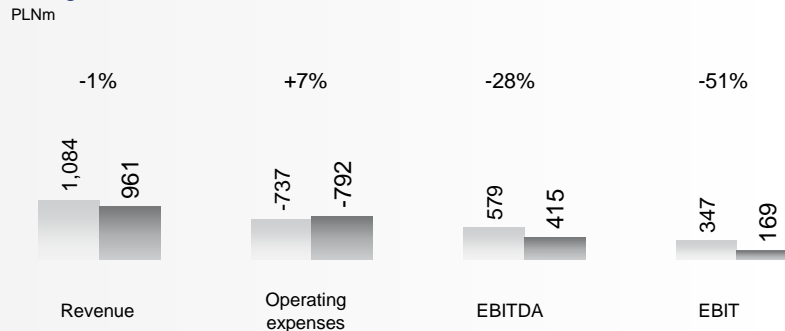
> Segment's CAPEX



> Segment's results for FY 2017 vs FY 2018



> Segment's results for Q3 2018 vs Q3 2019



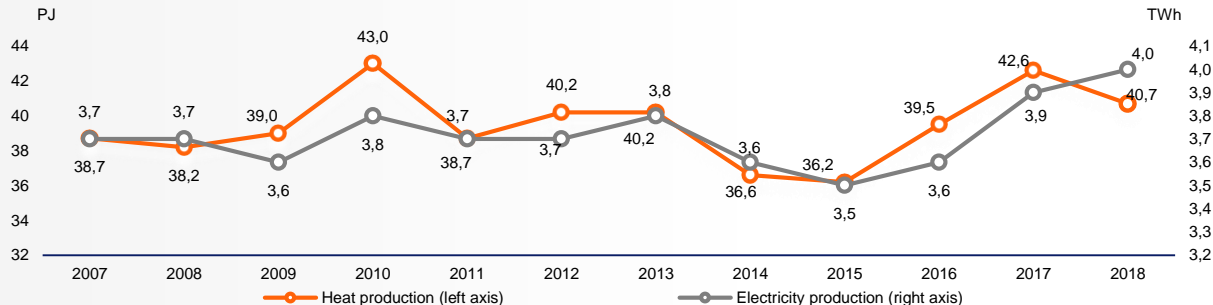
Heat and Power Generation

- > Share on the domestic market *:
 - > heat power 10%
 - > volume of heat sales 11%
- > Share on the Warsaw market:
 - > largest producer of heat and electricity in cogeneration
 - > estimated coverage of total heat demand about 70%
 - > estimated total electricity demand around 65%
 - > heat supplied to the city network about 98%.
- > Tariff:
 - > Heat tariffs benchmarking scheme creates significant upside for profitability as PGNiG Termika produces low-cost heat

PGNiG Termika operating data

| | |
|------------------------------------|---------|
| Installed heat power | 5.3 GWt |
| Installed electric power | 1.2 Gwe |
| Heat sales in 2018 (regulated) | 40.7 PJ |
| Produced electricity sales in 2018 | 4.0 TWh |

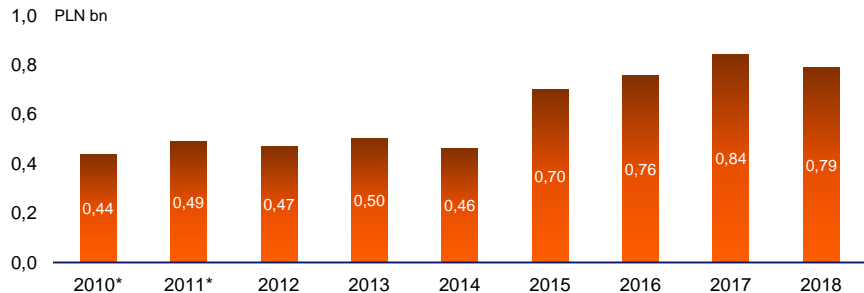
> Production of heat and own generation electricity



* Source: Thermal energy in numbers 2018

Generation's financial results

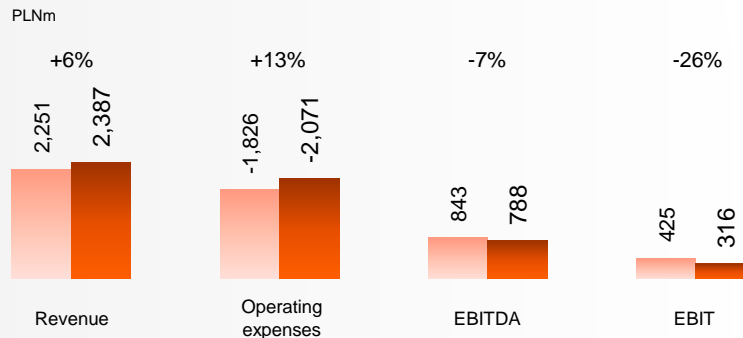
> Generation's EBITDA



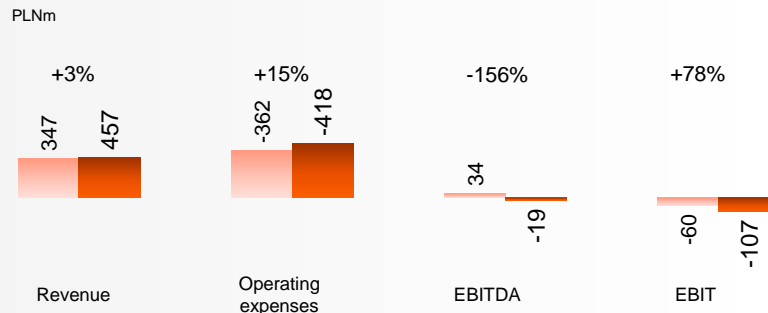
> Investments

- > 450 MWe gas-fired block in Warsaw at Żerań plant (2020)
- > Combined Heat and Power Plant Stalowa Wola (Q1 2020)
 - > 50/50 JV PGNiG and Tauron Polska Energia. Total CAPEX PLN 1.6bn
 - > Agreement for Sale of Electricity. PGNiG to supply 0.5 bcm of gas for 14 years
 - > Total power output: 450 MWe and 240 MWt

> Segment's results for FY 2017 vs FY 2018



> Segment's results for Q3 2018 vs Q3 2019





Strategy, CAPEX

PGNiG Group Strategy for 2017-2022

The new PGNiG Group Strategy for 2017–2022 (extended until 2026)

#1

Mission statement

We are a trustworthy supplier of energy for households and businesses

Trustworthy

The customers can depend on premium quality and reliability of our services

Energy supplier

Our customers are offered a full range of energy products (gas + electricity + heat + other/services)

Households and businesses

We care for and value all our customers: households, businesses, and institutions

#2

Vision

We are a responsible and effective provider of innovative energy solutions

Responsible

We act transparently, in line with the principles of corporate social responsibility

Effective

We have implemented process and cost optimisation measures

Innovative solutions

We are an innovation leader in the energy sector

#3

Primary objective

Increasing the PGNiG Group's value and ensuring its financial stability

Value growth

Our primary ambition is to create added value for our shareholders and customers

Financial stability

We seek to secure long-term financial stability and creditworthiness

The Group's key strategic objectives

Strategic objective:

competitive position while supporting the development and ensuring security of the gas market
in Poland

PGNiG's strong competitive position

Securing new gas supply sources to strengthen the Group's competitive position following expiry of the Yamal contract in 2022

Production projects in Norway focused on increasing annual gas output to ca. 2.5 bcm from 2022 onwards

Participation in the Norwegian Corridor project to secure direct gas imports from Norway

Developing gas and LNG trading functions to make PGNiG more competitive on gas markets in Europe and in Poland

Increase
the PGNiG Group's
value and ensuring
its financial
stability

Development of gas market in Poland

More rapid expansion of distribution network in order to enable more new customer connections and gas market growth

Expanding the upstream business in Poland to replenish hydrocarbon reserves and to maintain high levels of production

Significant improvement of customer service quality through digitalisation of service channels and expansion of the product portfolio expansion

Ambitions in the key business areas



1. Exploration and Production

- > Increase the base of documented hydrocarbon reserves by 35% (to 1,208 mm boe in 2022)
- > Increase annual hydrocarbon production by 41% (to 55 mm boe in 2022)



2. Wholesale

- > Diversified gas supply portfolio after 2022
- > Increasing the overall volume of natural gas sales by 7% (to 178 TWh in 2022)
- > Cumulative natural gas sales volume on wholesale markets in Poland and abroad 1000 TWh



3. Retail

- > Maximising retail margins
- > Maintaining the total volume of retail gas sales at ca. 67-69 TWh/year



4. Storage

- > Securing access to storage capacities adjusted to actual demand
- > Improve storage efficiency



5. Distribution

- > More than 300 thousand new service lines in 2017–2022
- > The annual growth rate in the number of service lines by 17%
- > Increase gas distribution volume by 16% (to 12.3 bcm in 2022)



6. Power and Heat Generation

- > Increase power and heat sales volumes by 20% (to 18 TWh in 2022)

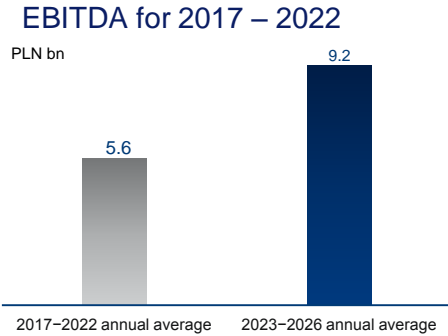


7. Corporate Centre

- > Effective execution of R&D&I projects
- > Operational efficiency improvement across the PGNiG Group
- > Enhancing the PGNiG Group's image

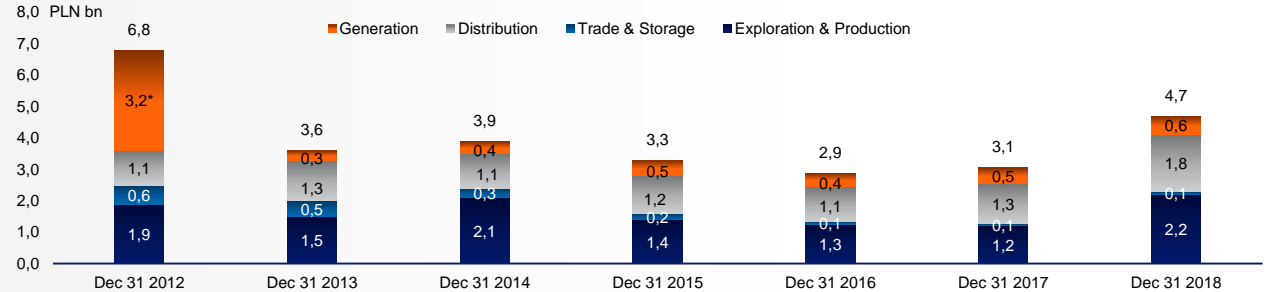
CAPEX and EBITDA for 2017-2022

- > Average annual capital expenditure in 2017–2022 at ca. PLN 5.7bn.

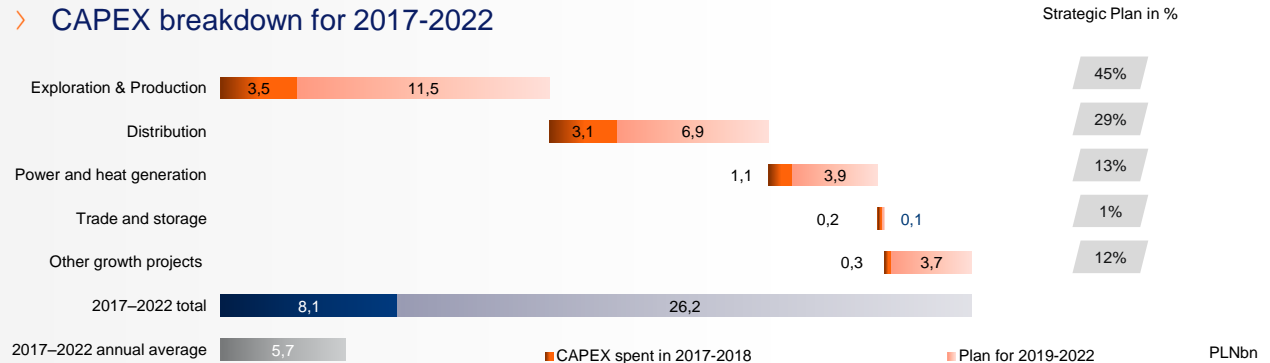


- > PLN 33.7bn cumulative EBITDA
- > Ambitious investment programme: long-term growth of the Group's EBITDA, particularly in 2023–2026 (at the annual average of ca. PLN 9.2bn)
- > Keeping debt at safe levels (net debt/EBITDA below 2.0)

> Annual CAPEX 2012 – 2018



> CAPEX breakdown for 2017-2022



Appendices

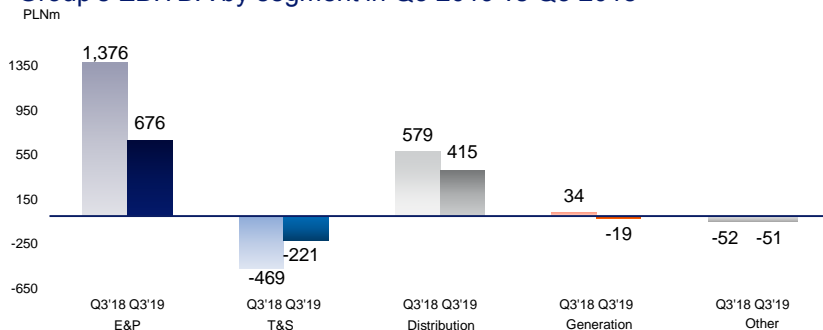
- > 1. Financial highlights Q3 2019
- > 2. Operating expenses
- > 3. Performance drivers
- > 4. Gas sales and imports structure
- > 5. Gas transport routes
- > 6. Gas trading and retail sales
- > 7. Changes on the Polish gas market
- > 8. Debt and sources of funding
- > 9. CAPEX, statement of financial position,
statement of cash flows
- > 10. Production and sales volumes



Financial highlights Q3 2019

| [PLNm] | Q3 2018 | Q3 2019 | Δ% |
|---|---------|---------------|------|
| Revenue | 7,595 | 7,029 | -7% |
| Operating expenses (excl. D&A) | -6,126 | -6,226 | +2% |
| EBITDA | 1,469 | 803 | -45% |
| <i>EBITDA (net of impairment losses on non-current assets and the provision for CO₂ emission allowances)</i> | 1,330 | 798 | -40% |
| Depreciation and amortisation | -643 | -662 | +3% |
| EBIT | 826 | 141 | -83% |
| Net finance income/(costs) | -41 | -68 | +66% |
| Net profit | 552 | 30 | -95% |

Group's EBITDA by segment in Q3 2019 vs Q3 2018*



*Eliminations in Q3 2018: PLN +1m; Q3 2019: PLN -3m.

Exploration and Production

- Revenue from sale of gas down PLN -506m (-46%) yoy, while revenue from sale of crude and condensate down PLN -131m (-21%) yoy.
- Reversal of impairment losses on non-current assets: PLN +47m vs PLN +131m in Q3 2018.

Trade and Storage

- Revenue from sale of gas down -10% and cost of gas down -12% yoy, with a +8% yoy increase in gas volumes sold outside the Group.
- Exercise of hedging instruments designated for hedge accounting, recognised in profit or loss: PLN +103m (Q3 2018: PLN -137m).
- PLN +149m in reversals of gas inventory write-downs. In Q3 2018 gas inventory write-downs increased by PLN -38m.

Distribution

- Gas distribution volume slightly down (-1% yoy) and revenue from distribution services down -3% yoy.
- Net income/cost of system balancing down PLN -109m yoy.

Generation

- Revenue from sale of heat up +13% yoy on lower average temperature in Q3 2019 and a +11% yoy increase in heat sales volumes.
- Revenue from electricity sales down -12% yoy, on lower sales volumes (down -19% yoy).
- A provision for CO₂ emission allowances of PLN -42m was recognised in Q3 2019 and disclosed in net other expenses (change in provisions). Subsequent redemption of acquired CO₂ emission allowances, presented in amortisation charges, will be accompanied by reversal of the provision.

Operating expenses in Q3 2019 vs Q3 2018

| [PLNm] | Q3 2018 | Q3 2019 | Δ% |
|--|---------------|---------------|-------|
| Cost of gas sold | -4,129 | -4,099 | -1% |
| Fuels for heat and power generation | -96 | -96 | - |
| Other raw materials and consumables used | -334 | -519 | +55% |
| Employee benefits expense | -626 | -697 | +11% |
| Transmission services | -249 | -269 | +8% |
| Other services | -463 | -470 | +2% |
| <i>LNG regasification services</i> | -93 | -85 | -9% |
| Taxes and charges | -108 | -103 | -5% |
| Other income and expenses* | -328 | -193 | -41% |
| <i>Change in inventory write-downs</i> | -18 | 149 | -928% |
| <i>Change in provisions</i> | -25 | -94 | +276% |
| Recognition and reversal of impairment losses on property, plant and equipment and intangible assets | -26 | -42 | +62% |
| <i>Cost of dry wells and seismic surveys written-off</i> | -165 | -90 | -45% |
| <i>Impairment losses on non-current assets</i> | 132 | 43 | -67% |
| Work performed by the entity and capitalised | 232 | 263 | +13% |
| Depreciation and amortisation | -643 | -662 | +3% |
| Total operating expenses | -6,770 | -6,888 | +2% |
| <i>Operating expenses net of cost of gas sold</i> | -2,641 | -2,789 | +6% |

Comments:

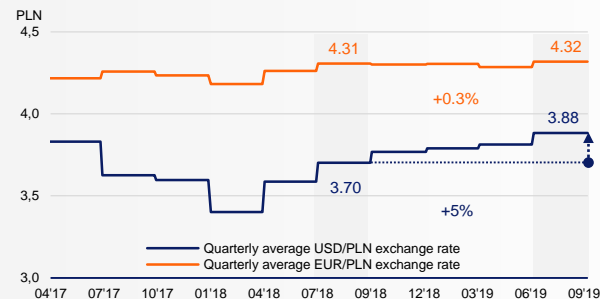
- > Cost of gas sold stable yoy (down 1%) - stable 9-month oil price.
- > Higher cost to purchase electricity for trading (to PLN 381m, +78% yoy), driven by a yoy increase in electricity prices.
- > Stable costs to purchase feedstock (mainly coal) for heat and electricity production.
- > Increase in employee benefits expense (+11% yoy) mainly on account of employee benefits expenses paid in the Distribution segment.
- > Lower yoy cost of dry wells and seismic surveys (PLN -90m). Three dry wells written off in Q3 2019 vs six written off in Q3 2018 (PLN -165m).
- > Reversal of impairment loss on non-current assets of PLN +48m in Q3 2019 vs reversal of PLN +139m in Q3 2018.
- > Change in provisions down by PLN 69m on recognition of the provision for CO₂ emission allowances (PLN -42m in Q3 2019).
- > Recognition of a provision for energy efficiency buy-out price: PLN -52m in Q3 2019. In Q3 2018, the impact was PLN -20m.
- > Reversal of gas inventory write-downs in Q3 2019: PLN +149m vs recognition of write-downs in Q3 2018: PLN -38m.
- > Net exchange differences related to operating activities: PLN +5m in Q3 2019 vs PLN -47m in Q3 2018.
- > Net gain/loss on derivative instruments recognised in net other income/expenses (not designated for hedge accounting): PLN +14m in Q3 2019 vs PLN -65m in Q3 2018.

* Other expenses shown above do not include taxes and charges, or impairment losses on property, plant and equipment and intangible assets.

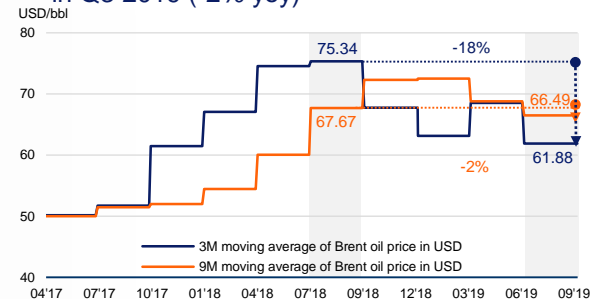
Performance drivers

- > Stable cost of gas imported from east of Poland.
- > Significantly lower product prices, including average quarterly oil prices and gas prices quoted on the POLPX Day-Ahead Market.

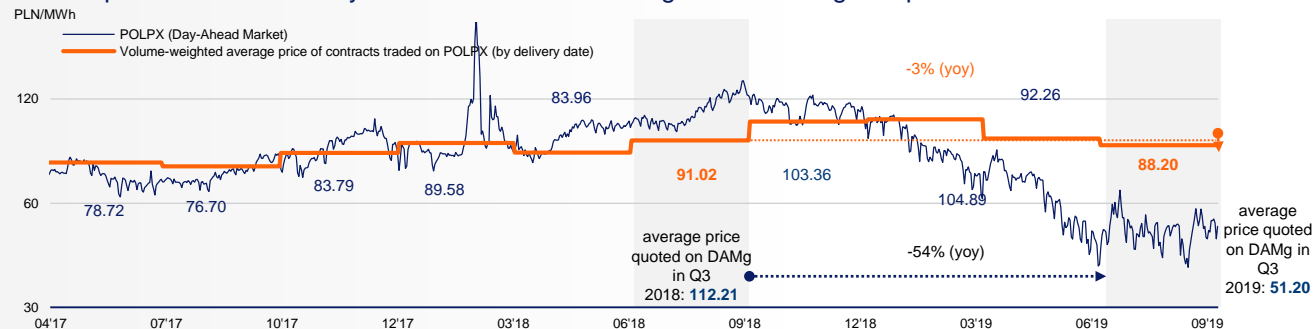
> PLN weaker against USD and EUR yoy



> 9-month average slightly down in Q3 2019 (-2% yoy)



> Gas prices on POLPX Day-Ahead Market and average volume-weighted price of contracts



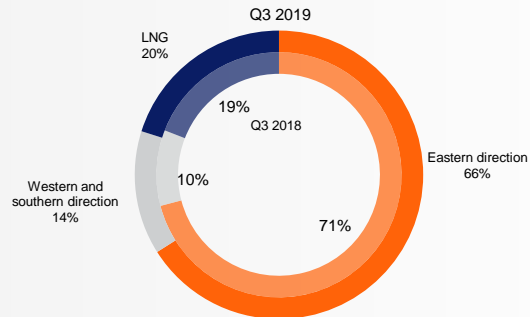
Comments:

- > Selling prices on POLPX: the largest volumes of gas were traded on the POLPX and other gas exchanges under contracts with maturities of a quarter, season (summer/winter) and year. These were complemented by monthly/weekly futures and spot contracts.
- > The volume-weighted average price of contracts traded on the POLPX for a given quarter is calculated based on the prices of contracts for delivery in that quarter.

Gas sales and imports structure

- › Lower share of sources east of Poland, with an increased role of sources south and west of Poland as well as LNG, in total gas imports. In Q3 2019, 6 gas tanker ships were unloaded, including 4 deliveries under the Qatargas contract, 1 delivery under the Cheniere contract and 1 delivery under a spot contract.
- › Higher gas sales by the PGNiG Group due mainly to higher sales by PST.

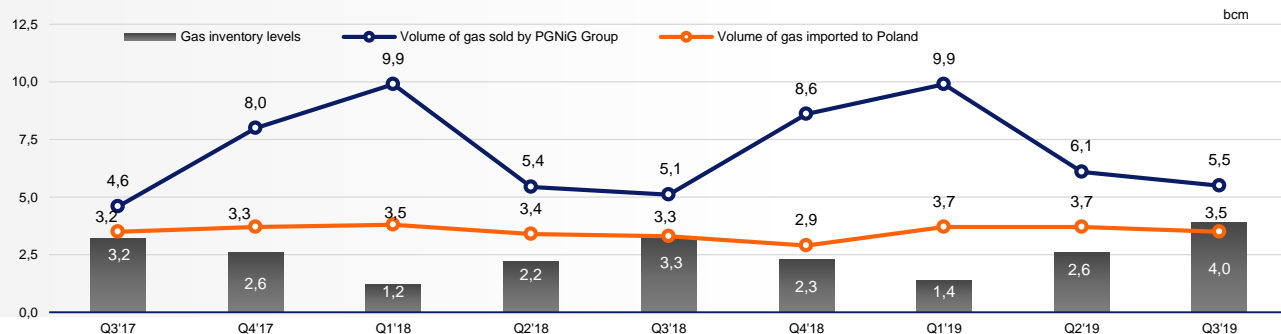
› Imports of natural gas to Poland



› Gas sales outside the PGNiG Group by company

| [mcm] | Q3 2018 | Q3 2019 | Δ% |
|---------------------|---------|--------------|------|
| PGNiG Group: | 5,114 | 5,525 | +8% |
| <i>PGNiG S.A.</i> | 3,144 | 3,106 | -1% |
| <i>PGNiG OD</i> | 1,115 | 1,114 | - |
| <i>PST</i> | 855 | 1,305 | +53% |

› PGNiG Group's gas sales volumes, gas inventory levels*, and gas imports



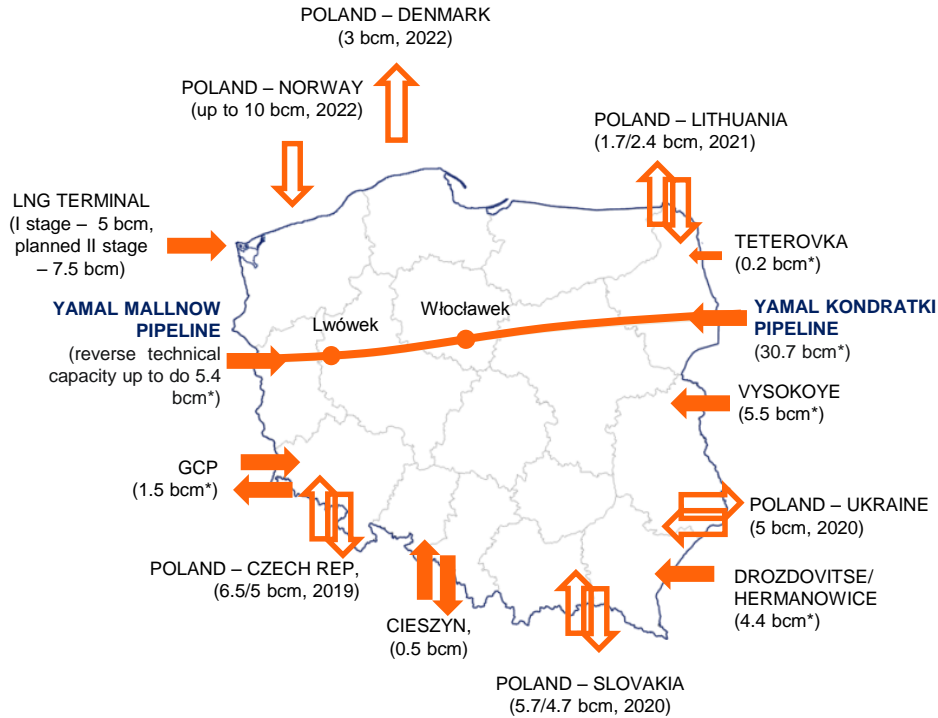
Comments:

- › LNG terminal stocks: 74 mcm after regasification (as at September 30th 2019).

* data include high methane and nitrogen rich gas stored in Poland and abroad as well as LNG terminal

Gas transport routes

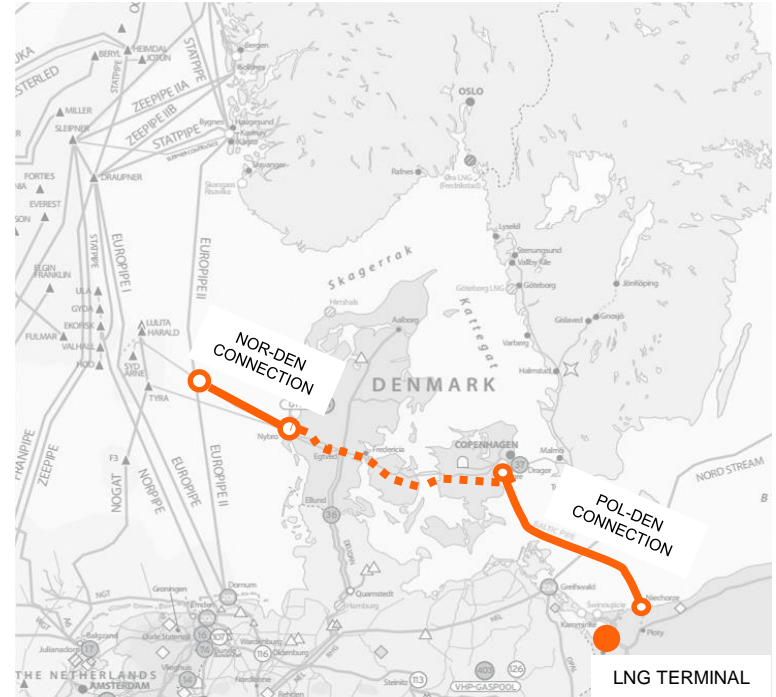
> Interconnections



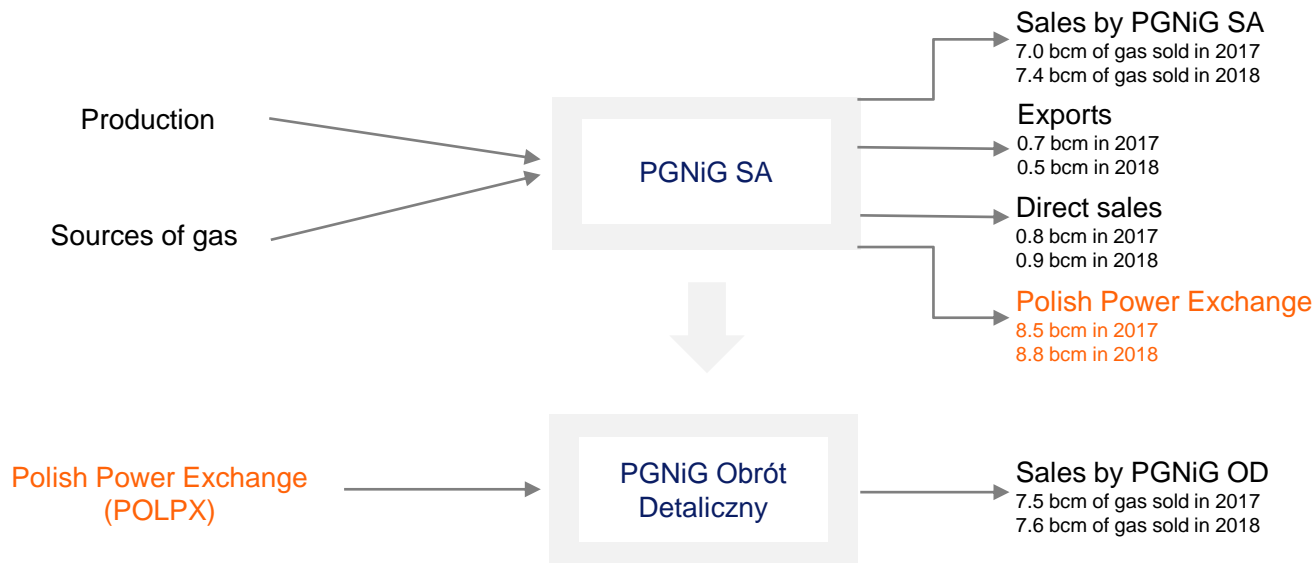
* Technical capacity

- Existing interconnectors
- Interconnectors planned, under construction (transmission capacity into/from Polish grid)

> Northern Gate Project



Gas trading and retail sales



Sales made on POLPX by PGNiG SA and purchases made on POLPX by PGNiG Obrót Detaliczny, which commenced operations on August 1st 2014, are **not subject to elimination from the consolidated financial statements**, and are disclosed under the Trade and Storage segment.

Changes on the Polish gas market

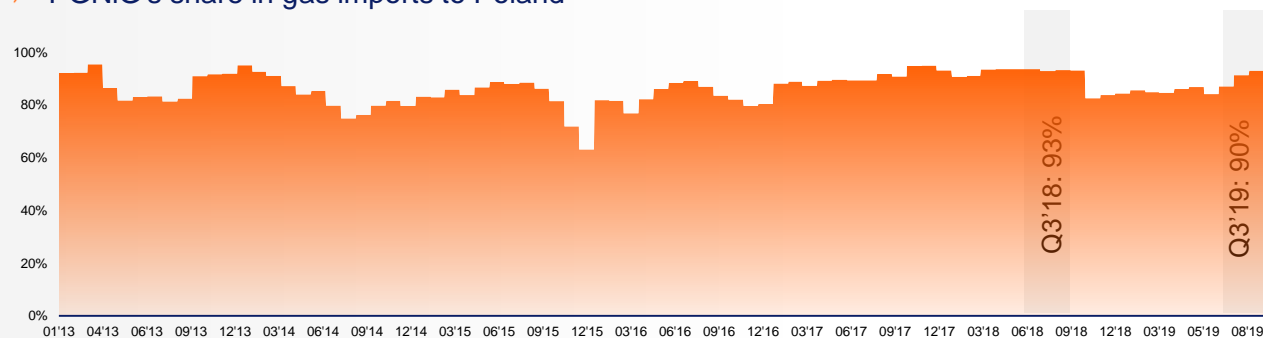
- > Since August 1st 2014, the PGNiG Group's gas sales volumes have included both PGNiG SA's sales through the exchange and PGNiG OD's sales to end customers and on the exchange.
- > Nitrogen-rich gas presented in the table as Group E gas equivalent.

* Notes:

- > The chart presents PGNiG SA's share in gas flowing into Poland through OGP Gaz-System's entry points (excluding transit volumes via the Yamal pipeline and including volumes for export), monthly data. The increase of PGNiG's share in imports observed in Q1 2016 caused mainly by reduced exports to Ukraine.
- > Data in the chart do not show PGNiG SA's share in the Polish gas market. They have been sourced from reports published by OGP Gaz-System on the volumes of gas flowing through interconnectors.

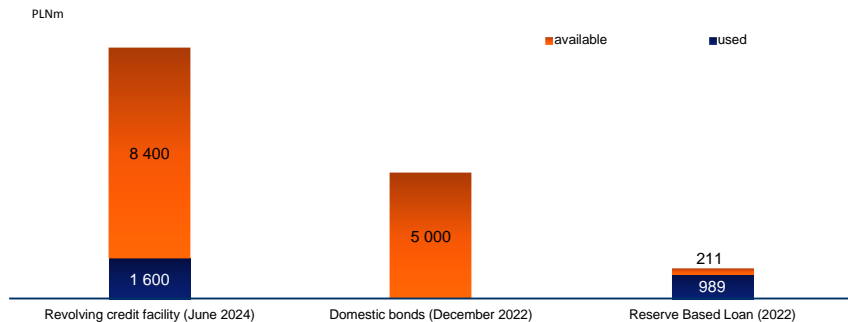
| Gas sales volume (mcm) | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------|------------|------------|------------|-------------|
| Total PGNiG Group | 18.6 | 23.0 | 24.3 | 26.8 | 29.0 |
| PGNiG SA (with Export, without Pakistan) | 13.8 | 13.2 | 14.5 | 16.8 | 17.0 |
| <i>including PGNiG SA through PPE</i> | <i>3.7</i> | <i>8.1</i> | <i>9.0</i> | <i>8.4</i> | 8.5 |
| PGNiG Obrót Detaliczny | 3.0 | 7.5 | 7.3 | 7.6 | 7.9 |

> PGNiG's share in gas imports to Poland*

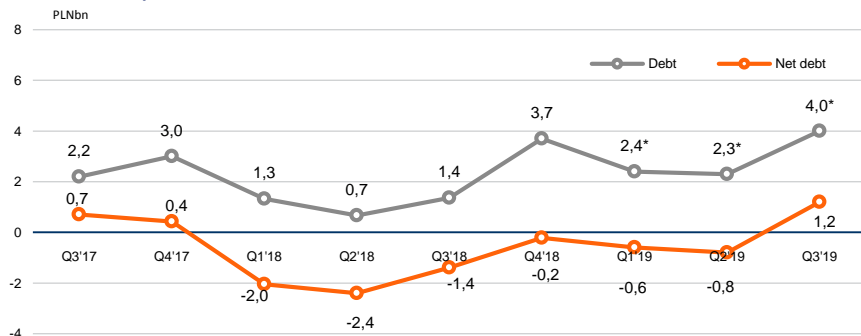


Debt and sources of funding

> Sources of funding (as at September 30th 2019)



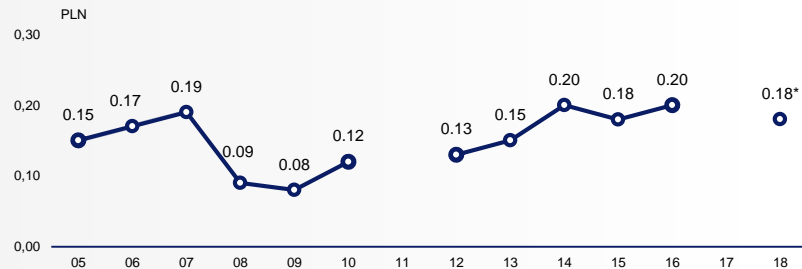
> Debt at quarter end



* The debt value includes the impact of IFRS16

- > On June 24th 2019, the Company entered into a syndicated revolving credit facility agreement. The agreement was concluded with a syndicate of nine banks. The revolving credit facility amounts to PLN 10bn and is available for five years from the date of the credit facility agreement. It will replace the financing in the form of two note programmes with a PLN 8bn subscription guarantee.

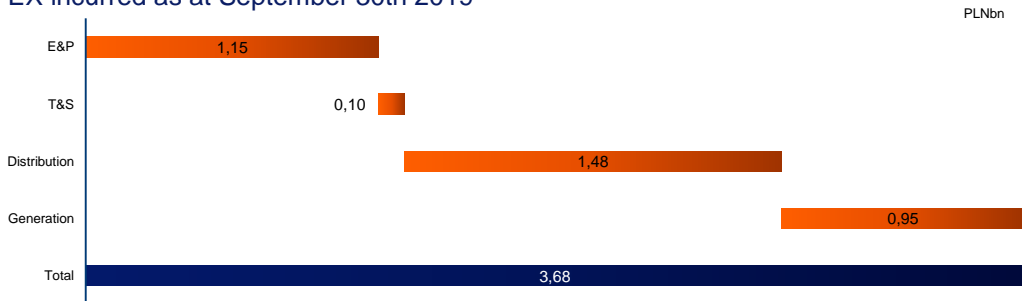
> Dividend per share for the financial year



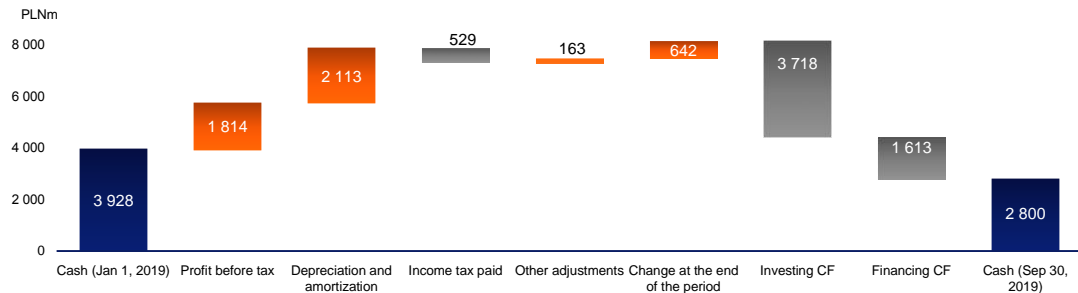
- > The dividend for 2018 was distributed in two tranches. On October 29th 2018, a decision was made to pay an interim dividend of PLN 0.07 per share from the Company's 2018 profit. On June 27th 2019, the Annual General Meeting resolved to pay out the remaining portion of the 2018 dividend of PLN 0.11 per share. The payment was made on August 7th 2019.

CAPEX, statement of financial position and statement of cash flows

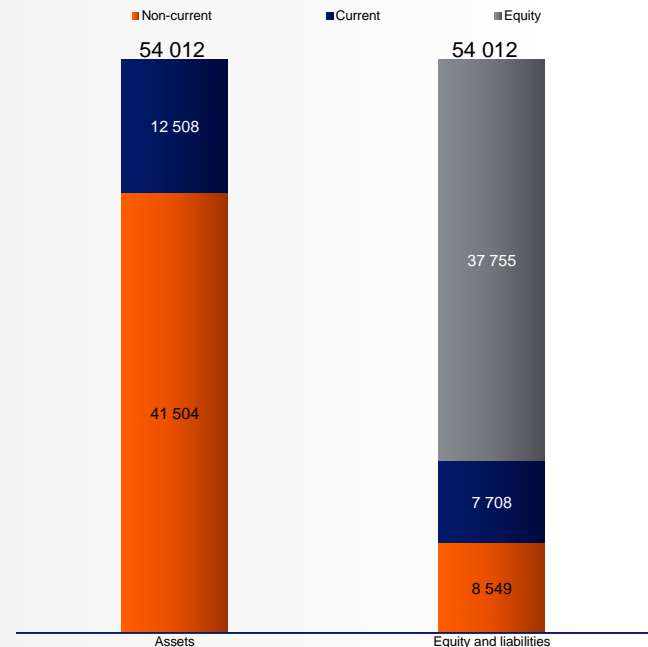
> CAPEX incurred as at September 30th 2019*



> Consolidated cash flows (Jan 1–Sep 30 2019)



> Group's statement of financial position (as at September 30th 2019)



*CAPEX including expenditure on acquisition of hydrocarbon deposits. CAPEX incurred in the Other Activities segment: PLN 0.04bn

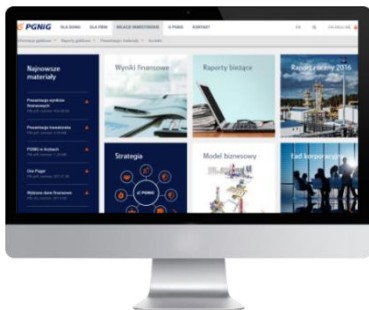
Production and sales volumes

| NATURAL GAS PRODUCTION BY THE PGNIG GROUP [mcm] | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | 9M 2019 | 9M 2018 | 9M 2017 | FY 2018 | FY 2017 | FY 2016 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| HIGH-METHANE GAS (E) | 451 | 439 | 477 | 473 | 436 | 461 | 464 | 461 | 459 | 469 | 474 | 1 367 | 1 361 | 1 402 | 1 834 | 1 863 | 1 919 |
| <i>including in Poland</i> | 337 | 327 | 326 | 336 | 323 | 314 | 323 | 335 | 325 | 327 | 328 | 990 | 960 | 980 | 1 296 | 1 315 | 1 401 |
| <i>including in Norway</i> | 114 | 112 | 151 | 137 | 113 | 147 | 141 | 126 | 134 | 142 | 146 | 377 | 401 | 422 | 538 | 548 | 518 |
| NITROGEN-RICH GAS (Ls/Lw as E equivalent) | 645 | 601 | 704 | 722 | 659 | 612 | 719 | 731 | 664 | 567 | 712 | 1 950 | 1 990 | 1 943 | 2 712 | 2 674 | 2 540 |
| <i>including in Poland</i> | 593 | 556 | 661 | 673 | 606 | 559 | 674 | 684 | 627 | 533 | 680 | 1 810 | 1 839 | 1 840 | 2 512 | 2 524 | 2 481 |
| <i>including in Pakistan</i> | 52 | 45 | 43 | 49 | 53 | 53 | 45 | 47 | 37 | 34 | 32 | 140 | 151 | 103 | 200 | 150 | 59 |
| TOTAL (measured as E equivalent) | 1 096 | 1 040 | 1 181 | 1 195 | 1 095 | 1 073 | 1 183 | 1 192 | 1 123 | 1 036 | 1 186 | 3 317 | 3 351 | 3 345 | 4 546 | 4 537 | 4 458 |
| NATURAL GAS SALES BY THE PGNIG GROUP [mcm] | | | | | | | | | | | | | | | | | |
| HIGH-METHANE GAS (E) | 5 175 | 5 715 | 9 431 | 8 141 | 4 777 | 5 134 | 9 414 | 7 603 | 4 298 | 5 079 | 8 311 | 20 322 | 19 325 | 17 688 | 27 466 | 25 291 | 22 895 |
| <i>including PST sales outside PGNIG Group</i> | 1 305 | 1 099 | 1 352 | 1 360 | 855 | 716 | 998 | 603 | 452 | 482 | 649 | 3 755 | 2 568 | 1 583 | 3 929 | 2 186 | 2 510 |
| NITROGEN-RICH GAS (Ls/Lw as E equivalent) | 350 | 336 | 465 | 442 | 337 | 308 | 491 | 419 | 296 | 312 | 469 | 1 151 | 1 136 | 1 077 | 1 578 | 1 496 | 1 371 |
| TOTAL (measured as E equivalent) | 5 525 | 6 051 | 9 896 | 8 583 | 5 114 | 5 442 | 9 905 | 8 022 | 4 594 | 5 391 | 8 780 | 21 473 | 20 461 | 18 765 | 29 044 | 26 787 | 24 266 |
| <i>including sales directly from the fields</i> | 210 | 170 | 229 | 228 | 211 | 179 | 237 | 226 | 182 | 161 | 227 | 609 | 627 | 570 | 855 | 796 | 718 |
| NATURAL GAS IMPORTS BY PGNIG S.A. [mcm] | | | | | | | | | | | | | | | | | |
| Total | 3 508 | 3 710 | 3 667 | 2 949 | 3 324 | 3 419 | 3 837 | 3 673 | 3 488 | 3 334 | 3 219 | 10 885 | 10 580 | 10 041 | 13 530 | 13 714 | 11 527 |
| <i>including: sources east of Poland</i> | 2 316 | 2 186 | 1 791 | 1 097 | 2 357 | 2 602 | 2 982 | 2 540 | 1 889 | 2 518 | 2 709 | 6 292 | 7 941 | 7 116 | 9 038 | 9 656 | 10 248 |
| <i>including: LNG</i> | 706 | 1 044 | 727 | 759 | 635 | 815 | 505 | 383 | 470 | 475 | 387 | 2 477 | 1 955 | 1 332 | 2 713 | 1 715 | 974 |
| CRUDE OIL, PGNIG GROUP (thousand tonnes) | | | | | | | | | | | | | | | | | |
| Production of crude oil and condensate | 275 | 290 | 324 | 353 | 320 | 324 | 348 | 329 | 313 | 269 | 346 | 888 | 992 | 928 | 1 345 | 1 257 | 1 318 |
| <i>including in Poland</i> | 184 | 177 | 208 | 219 | 202 | 189 | 208 | 220 | 203 | 148 | 216 | 568 | 599 | 567 | 818 | 787 | 763 |
| <i>including in Norway</i> | 91 | 113 | 116 | 134 | 118 | 135 | 140 | 109 | 110 | 121 | 130 | 320 | 393 | 361 | 527 | 470 | 555 |
| Sales of crude oil and condensate from own production | 295 | 266 | 288 | 378 | 309 | 294 | 429 | 313 | 251 | 316 | 390 | 850 | 1 032 | 957 | 1 410 | 1 270 | 1 346 |
| <i>including in Poland</i> | 182 | 177 | 210 | 225 | 194 | 188 | 210 | 222 | 190 | 161 | 218 | 570 | 592 | 569 | 817 | 791 | 753 |
| <i>including in Norway</i> | 113 | 89 | 78 | 153 | 115 | 106 | 219 | 91 | 61 | 155 | 172 | 280 | 440 | 388 | 593 | 479 | 593 |
| GENERATION | | | | | | | | | | | | | | | | | |
| Production of heat, net (sales) (TJ) | 3 268 | 6 040 | 16 970 | 14 255 | 2 942 | 4 425 | 19 037 | 14 195 | 3 476 | 6 848 | 18 088 | 26 278 | 26 404 | 28 412 | 40 659 | 42 607 | 39 527 |
| Production of electricity, net, secondary generation (for sale) (GWh) | 425 | 744 | 1 513 | 1 315 | 523 | 598 | 1 539 | 1 280 | 407 | 737 | 1 458 | 2 682 | 2 661 | 2 602 | 3 974 | 3 882 | 3 604 |

Glossary

| | |
|--------------|---|
| 2P | Proven reserves of fossil fuels |
| bbl | Barrel |
| boe / mm boe | Barrel of oil equivalent / Million barrel of oil equivalent (one barrel is approx. 0,136 tonnes) |
| CAGR | Compound annual growth rate |
| CAPEX | Capital expenses |
| cm / bcm | cubic meters / billion cubic meters |
| DES | Delivery ex ship formula, LNG seller deliver gas to a buyer at an agreed port of arrival |
| D&A | Depreciation and Amortization |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes, depreciation and amortization |
| FOB | Free on board formula, LNG seller will deliver gas to a tanker ship at the loading port |
| JV | Joint Venture |
| LNG | Liquefied Natural Gas |
| PPE | Polish Power Exchange |
| PSG | Polska Spółka Gazownictwa |
| PST | PGNiG Supply & Trading GmbH |
| RAB | Regulatory Asset Base |
| WIG 20 | Capitalization-weighted stock market index of the twenty largest companies on the Warsaw Stock Exchange |
| WSE | Warsaw Stock Exchange |

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