

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, December 12th 2019

### **Current Report No. 58/2019**

Warsaw, December 12th 2019

Fitch Ratings upgrades PGNiG's rating from BBB- to BBB

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", the "Company") reports that on December 12th 2019 information regarding the upgrade of the PGNiG's long-term foreign- and local-currency Issuer Default Ratings ("IDR") from BBB- to BBB, with stable outlook, was published by the rating agency Fitch Rating ("Fitch" or the "Agency").

The upgrade reflects positive influence of Company's consistent implementation of contract portfolio diversification strategy for gas imports to Poland resulting in greater business flexibility and reduced exposure to a potential trends in price mismatch between oil and gas which are currently negatively affecting the differences between cost of imports and domestic sales prices.

Cash flow volatility and business risks in the company's upstream and trading businesses are mitigated by the stability of regulated businesses like gas distribution and heat generation. In presented opinion Fitch continue to forecast credit metrics and financial flexibility as strong with the expected increase in investment expenses in the next few years.

The Agency indicates that the PGNiG's solid financial profile is supported by its strategic goals to ensure net debt to EBITDA staying below 2.0 level and its current dividend policy.