

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, October 27th 2020

### **Current Report No. 53/2020**

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Submitting of an initial non-binding offer for acquisition of shares in Fortum Group's assets located in Poland, Estonia, Latvia and Lithuania by a consortium with participation of PGNiG

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") discloses that on October 27th 2020, an investment consortium, a part of which is PGNiG (the "Consortium"), has submitted an initial non-binding offer to purchase district heating and cooling businesses in Estonia, Latvia, Lithuania and Poland from Fortum Holding B.V. (the "Transaction").

The participants of the Consortium are: PGNiG, PFR Inwestycje FIZ (Closed-end investment fund) which is managed by Polski Fundusz Rozwoju S.A. (Polish Development Fund) and IFM Investors Pty Ltd. and PGE Polska Grupa Energetyczna S.A.

The Consortium will continue to work together towards the submission of a binding offer.

Transaction's Target are Fortum Holding B.V.'s subsidiaries, which carry out activities mainly related to heat generation, distribution and sale as well as electricity generation in Poland, Estonia, Latvia and Lithuania.

The acquisition of interest in the Fortum Group's assets is consistent with the PGNiG Group's Strategy for 2017-2022 with an outlook until 2026, published in Current Report No. 19/2017 of March 13th 2017, with respect to the PGNiG Group's expansion in the power and heating sector.